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NEWS SUMMARY

GENERAL

Princess and baby leave hospital

The Prince and Princess of Wales last night took their baby to \$1.7380 (\$1:727) in London, son to their London home in Kensington Palace, less than 24 hours after he was born in St Mary's Hospital, Paddington.

The couple took it in turns to hold the infant before hundreds of pressmen and cheering crowds. The Queen paid a 20-minute visit to the hospital in the morning.

Bookmaker William Hill has George at 6-4 favourite for the baby's name, but Albert and Arthur have been backed down from 20-1 to 8-1.

Ulster vote

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Twenty-five Tory backbenchers and 12 Labour MPs voted imposing a guillotine on the share index closed 0.9 higher at Northern Ireland Bill. Total 555.8 Page 31 votes against were 44, compared with 298 in favour.

GILTS were firmer, gaining Debate, Page 14

Derry bombs

Two bombs exploded at an oil depot in Londonderry. Warnings were given and police sald there, (were no reports of in-

Rail warning

British Rail warned of the appalling consequences the railway industry if the NUR strike goes ahead on Monday. Back Page, London's underground service faces its third day of almost total shut-down. Page 13.

New ambassador

Sir Oliver Wright, 61, has been brought out of retirement to succeed Sir Nicholas Henderson as Britain's next U.S. ambassador. Men and Matters, Page 18

Pilots killed

Two British pilots were killed and U.S. interest when their Second World War AUSTRALIAN shares slipped training aircraft crashed and with the Sydney All Ordinaries burst into flames during an index down 2.5 to 459.6. Page 26 international air rally near Valetta, Malta.

Indian jet crashes

Seventeen Indians were killed. when an Air India Boeing 707 from Singapore crashed while cent in May. Page 6 landing in heavy rain at Bom-

Expenses 'chaos'

Piet Dankert said urgent steps munic were being taken to end the Page

Pakistan arrests Pakistan's military authorities have detained six Opposition politicians and intend to keep them under arrest for 30 days.

World Cup

Kuwait were fined SwFr 25,000 (£6,800) and the Soviet referee of their World Cup match against France suspended by Fifa the International Football Federation, following incidents in Monday's game. Yesterday Poland beat Peru 5-1.

Barker out Britain's Sue Barker was beaten in straight sets by American Sharon Walsh in her opening

match at Wimbledon. Briefly . . .

Estonian conductor Neeme Jarvi has been appointed to succeed Sir Alexander Gibson as musical director and principal conductor of the Scottish National Orchestra.

BUSINESS

£ up as \$ sinks; share fall checked

hut weakened in terms of other currencies. It closed at DM 4.2675 (DM 4.28), SwFr 3.6275 (SwFr 3.6775) and FFr 11.83 (FFr 11.865). Its trade-weighted iudex was 91.4 (91.0). Page 32

● DOLLAR fell to DM 2.454 (DM 2.477), SwFr 2.086 (SwFr 2.129), FFr 6.8075 (FFr 6.8725) and Y254.3 (Y357.1). Its index was 120.7 (121,7). Page 32

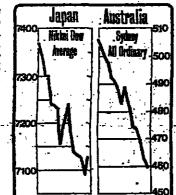
• GOLD rose \$10.25 to \$306.25 in London. In New York, the Comex June close was \$299.0. Page 25

• EQUITIES were steadler on currency considerations and a technical rally after seven days against a Government motion of falling values. The FT 30share index closed 0.9 higher at

> in late trading. The FT Govern-ment Securities index rose 0.39 to 68.99. Page 31

> • WALL STREET was up 5.81 at 795.76 near the close. Page 26

• TOKYO SHARES rallied after six consecutive days of decline, but trading was thin owing anxieties over exchange



• U.S. INFLATION rose by 1 per cent in May, mainly due to energy price rises, after increasing by only 0.1 per cent in the preceding three months. In Canada, inflation rose 1.4 per

• INTERNATIONAL Business Machines (IBM) is negotiating with British Telecom and British Aerospace on plans for European Parliament president a transatlantic business communications satellite. Back

were being taken to the chaos." of MEPs' expenses.
But no cases of deliberate putting 2,000 production fraud had been found Page 3 workers on short-time cause and is to buy of falling sales and is to buy from smaller outside suppliers

many aero engine parts. Page ● NEW ZEALAND has imposed

a 12-month freeze on wages, prices and dividends to tackle the high inflation rate. Page 4

 TURKEY has guaranteed \$625m (£360m) of outstanding bonds sold to investors by Banker Kastelli, the money broker and securities house which collapsed on Monday. Rack Page

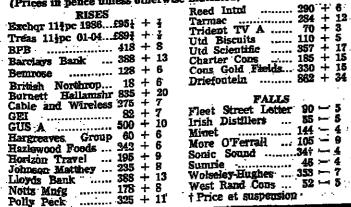
 MEXICO's Grupo Industrial Alfa, which has supended repayments on \$2bn (£1.15bn) owed abroad, is meeting creditors today and may declare that it cannot even pay interest on the debt. Page 30

 HAMBROS, the banking and insurance group, made profits after tax of £15.4m in the year to March 31 against £23.2m previously. Page 20; Lex, Back

BURNETT & HALLAM-SHIRE, the mining, oil and Earth tremors hit south west property group, reported pre-freece and the Banda Sea in Indonesia but no casualties were reported.

SILIKE. the mining, oil and property group, reported pre-tax profits of £21.7m in the year to March 31, ahead £9.24m. Page 20

CHIEF PRICE CHANGES YESTERDAY (Prices in pence unless otherwise indicated)



Argentina resolves deadlock over political leadership

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

tina's political leadership was resolved last night with the appointment of General Reyappointment of General Rey-naido Bignone, a retired officer,

The decision was taken by the country's senior army generals against the wishes of the navy and airforce, whose commanders make up two of the three members of the ruling military

Although the appointment could be expected to avert the

presidency going to an army

to be opposed to Gen Bignone, a political unknown put up as president in opposition to Brig Gen Basilio Lami Dozo, the airforce commander in chief, a political liberal in favour of a restitution of civilian constitutional rule.

Clarin, the popular daily, hinted yesterday that some junior officers in the army were immediate threat of civil becoming increasingly unwill- rulers since the coup de'etat in the multi partidaria grouping of Prensa commented that Argen-violence, political parties in ing to obey the orders of their 1976.

parties, which met on Monday times were overcome with sad-

THE DEADLOCK over Argen- Argentina are opposed to the senior commanders. They were said to have lost confidence in civilian rule before 1984.

economic policy, a comment which appears to indicate a wish to distance itself from the unpopular monetarist policies again.
followed by successive military Four of the five members of

Earlier, the uncertainty pro- night without the Peronists, ness, anger and impotence" at voked by the power vacuum the generals because of the and confirmation that Dr debacle in the Falkland Islands. Roberto Aleman, economy In a tough statement late on minister, was provisionally con- deeply disappointed, looks on chief and junta member who Monday night the army said tinuing at his post after offer- at the spectacle being pre- has turned full-time politician, there would be no return to ing to resign last week, caused sented on the platforms of said Argentina is "a country the Argentine peso to continue The army added that it was its rapid downward slide.

not wedded to any particular Popular anger and from Popular anger and frustra-tion, which last Tuesday broke into rioting in the Plaza de

was also building up

issued a statement calling for the present situation a return to the constitution. Admiral Emilio Massera, a a return to the constitution. The parties added: "The nation, power."
The normally pro-Govern-

ment daily La Nacion lashed the present regime in an crisis left the unofficial rate of editorial saying that politics " is the peso at over 32,000 to the thet duty of everyone and not dollar. compared with the the privilege of a few." official quotation of 15,100. the privilege of a few." The Buenos Aires daily La Prensa commented that Argen-

paralysed and on the brink of bankrupicy. The impact of the week-long

former navy commander-in-

Junta in disarray over sauc settlement over ships. Page 11

Nott rules out major shift in defence policy

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

down firmly against any signifi- few weeks." cant changes in Britain's defence policy as a result of the conflict in the Falklands.

Mr John Nott, the Defence reviewed as a result of the Falklands crisis. He expected to publish a new white paper on that review later in the

But the main threat to Britain remained the nuclear and conventional forces of the Soviet Union, Mr Nott said. The Western Alliance, in the form of Nato, remained Britain's prime concern now, as it had

for 30 years. Mr Nott paid tribute to those who had secured victory for Britain in the Falklands. Valuable experience had been gained, he said. "But we should not rush into premature conclusons based on the dimly

THE GOVERNMENT has come perceived lessons of the past

The Falklands was the first engagement of its kind since the Second World War. Any changes to Britain's defence Secretary, who launched the policy, as announced following delayed Defence White Paper, last year's defence review, could yesterday said some parts of be made only "after mature the defence programme would study and reflection."

In his published statement and at a later Press conference, Mr Nott thus left the impression that while he was open to changes in the defence policy, he did not expect any-except

Mr Nott's statement, which must be presumed to have cabinet agreement, will disappoint-but probably not surprise—the political and armed services lobby, which insists that the Falklands conflict has highlighted key weaknesses in Mr Nott's policies. His decision to cut the Royal Navy is particularly disputed. Mr Nott's decision to publish

a week after the Argentine surrender-and apparently with not a single word changed since it was printed in April-could be seen as a direct challenge to his critics. It represents the first ministerial shot in what could be an increasingly bitter political battle over the next alleged U.S. subsidies to its weeks, involving not just politicians but key defence

figures as well. Mr Nott yesterday noted three areas where existing pro-grammes will be reviewed—the decision to cut manpower numbers in the armed forces, the decision to run down Ports mouth dockyard, and that to sell Invincible, one of the two aircraft carriers currently in the South Atlantic, to Australia. Mr Nott expected to give more

details in Portsmouth in next Commons defence Continued on Back Page

White Paper details, Page 12 Editorial Comment, Page 18

Nurses' rise splits unions

the Defence White Paper barely

BY IVO DAWNAY, LABOUR STAFF

Service worker's united cam- of Mr Fowler's final offer. paign for a 12 per cent pay rise when leaders of four profesnursing agreed to recommend acceptance of a final offer of 7.5 per cent.

days' talks between Mr Norman Fowler, Social Services Secretaking to complete talks on a tary, and negotiators for the Royal College of Nursing, health visitors' and midwives groups,. was condemned as a "sell-out" by the TUC health service commitment that any settle-unions.

an improved 6 per cent offer That decision effectively dictate for ancillary and other staff nursing bodies in recognition

was 6.4 per cent The deal, reached after two

groups previously offered 4 per of their "special case" status. Cent.

That decision effectively dictated the 6 per cent celling on

ticularly annoyed that agree- rises payable to ancillary and ment with the professional other staff.

received would

fight a lengthy and vigorous. The previous offer to nurses campaign.

Was 6.4 per cent.

Under the deal agreed with the professional bodies the Government gave a firm underpermanent formula for assessing nurses' pay in time for the

1983 pay round. Mr Fowler gave an additional These unions broke off would not breach a 1.5 per cent parallel talks which included differential demanded by the

THE GOVERNMENT succeeded nursing bodies was reached. Throughout the six-week camyesterday in splitting the Health before they received the terms paign the TUC unions, representing workers in all grades of They warned that the "NHS workers from nurses and "shoddy treatment they had medical technicians to laundry resouve of NHS workers to sisted on a uniform pay rise.

The cost of the new offers, it the NHS pay bill. Of this at least two-thirds will come from the is now serious. While not yet Treasury special contingency an EEC-U.S. "trade war," he reserve, the remainder from said, there are "considerable local health authority budgets. Dame Catherine Hall, general

secretary of the 195,000 strong RCN, said that she and her colleagues had been "dis-appointed" by the 7.5 per cent offer, but "the Secretary of State made clear that this was the Government's final position and that no way was more money going to be available.".

Today's national one-day strike, the fourth so far, will go ahead as planned.

added that economic indicators

were pointing to a sustained recovery in the months ahead.

EEC to fight U.S. on steel

THE EUROPEAN Economic Community yesterday declared that it planned to resist U.S. anti-subsidies duties European steel exports and to own steel companies.

EEC industry ministers, meeting in Luxembourg, also threatened to take the U.S. to court over President Reagan's embargo on the use of U.S. technology for the trans-Siberian gas pipeline.

At the same time, President Francois Mitterrand delivered a strong warning in Paris over the high dollar exchange rate, high U.S. interest rates and the tightening of the technology embargo.

On the steel issue, a stronglyworded EEC Council Ministers action plan, called for legal challenges to be made against the U.S. in both the General Agreement on Tariffs and Trade and the Organisation for Economic Co-operation and Development.

The Community is to call for an immediate meeting of the Gatt Subsidies Committee to contest the U.S. move on steel and will also urge at the forthcoming meeting of the OECD steel committee that the duties are incompatible with the OECD consesus on steel.

Viscount Etienne Davignon, EEC Industry Commissioner, also made it plain that political friction between is estimated would add £90m to the Community and Washington stemming from trade questions

political and tensions," economic The steel crisis, therefore, has been added as a matter of urgency to the agenda of the EEC Heads of Government

Continued on Back Page Other reaction, Page 8

Ceasefire follows Lebanon flare-up

BY DAVID LENNON IN TEL AVIV AND ANTHONY McDERMOTT

ISRAEL agreed to a second ceasefire with Syrian forces in of heavy fighting east of Beirut. Israeli aircraft bombed and rocketed Syrian positions for the Irst time since the original ceasefire came into effect 11 days-ago. The fiercest clashes were

near the main Beirut-Damascus road as Israeli forces mounted a three-propged armoured thrust aimed at capturing vital road junctions held by the Syrians. Israel's willingness to accept ceasefire last night indicates that her forces may have cap-

tured key points at Aley, Bhamdoun and Medeirej, which is about 16 miles east of Beirut. An Israeli Army spokesman would not confirm that there was any change in its forces' positions, but admitted that there were heavy air strikes and artillery bombardment against Syrian positions at Hammana north of Medeirej.

The ceasefire was arranged by Mr Philip Habib, the special U.S. envoy, who is in Lebanon trying to negotiate an end to There was other fighting in

Beirut yesterday as Israeli and

Christian Phalangist forces fired on positions held by Palestinguerrillas inside encircled West Beirut. According to an Israeli Secretary. artillery officer interviewed on

out from the entire region.
"We must never forget that" the terrorist organisations are the source of the problems and batred in this area for decades.

capture parts of West Beirut,



reach peace agreements with the Arab states once "violence had been removed" from the Israel.

second meeting of The Lebanon's Salvation mittee" yesterday seemed to make little progress. One of its members, Mr Walid Jumblatt, who heads the Druze community, accused Mr Habib of trying to conduct "hot diplomacy," a reference to the continued Israeli bombardment

John Hunt writes: A strong attack on Israel for its invasion of Lebanon was made in the Commons last night by Mr Francis Pym. the Foreign

He demanded that Israel army radio, his forces were fir- withdraw her forces in the Phalangist forces were mov- cil Resolution 509. "The scale ing about in their attempts to of the Israeli invasion has been capture parts of West Beirut, quite disproportionate to the Mr Yitzhak Shamir, Israeli objective of achieving security Foreign Minister, said yesterday from terrorists attacks."

Organisation should be rooted out from the entire

"We must never forget that' the terrorist organisations are	2 10 Net	June 21	Previous
the source of the problems and batred in this area for decades.		ł· 	<u> </u>
They are the main stumbling block to peace."	1 month	\$1.7410-7430 0.38-0.41 pm	0.39-0.42 оп
Mr Shamir added that he was sure it would be possible to	3 menths	1.35 1.40 pm 4.75-4. 82 pm	1.43,1.47 pm 14.85-4.95 pm

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

UNEMPLOYMENT increased sharply in the month to mid-June, to a total including school-leavers of 3.06m. The underlying trend also appears to have deteriorated.

total was 92,000 compared with the previous month, according to official figures released yesterday. This partly reflects the fact that 102,000 extra schoolleaveer came on to the unemployment register in the month.
However, the adult total also

The increase in the "head-

increased to 2.91m after seasonal adjustment, 39,000 more than in May. This is the largest monthly increase of the adjusted total for seven months and follows the generally decelerating trend seen since the winter of 1980. the winter of 1980. Between April and June the

Total

tion of the faltering of economic recovery in the winter months, when cold weather and strikes are said to have disrupted output. Official figures for national output also issued yesterday show little change in the first three months of the year from the final quarter of 1981.

Mrs Margaret Thatcher called the latest figures "unwelcome" in the House of Commons yesterday. She blamed the rise on the advance in interest rates in the autumn of 1981, but

> She was replying to a question from Mr Michael Foot, leader of the Opposition, who described the figures as "the Continued on Back Page

Energy review: Colombia's rich

Regional details, Page 9; GDP This faster rate of increase average monthly increase in the underlying level of unemiss probably a delayed reflecrise estimated at 0.5 per cent, Page 12

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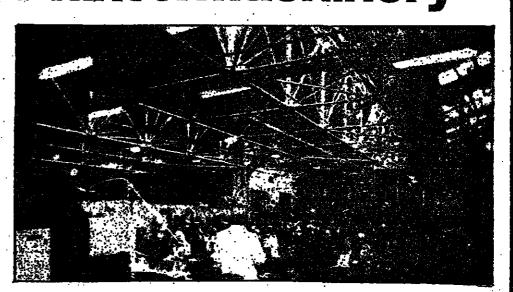
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Sharp rise in unemployment total Weatherals

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Jonathan Carr, in Bonn, looks at rivals for political power

Personal prestige is the key

fabulous Chancelior Helmut Schmidt for a much less fabu-lous Chancellor Helmut Kohl?" asked the bewildered editoria- make it easy either for the meets day-in, day-out in Bonn. list of a West German news- opposition CDU or the increas- True, their admiration is often list of a West German newspaper the other day.

The question may seem to reduce the plight of a faltering government and a squabbling opposition in Bonn too much to for a further four years of office personalities - but it comes and that the Government has a close to the heart of the matter duty to respect that mandateall the same.

The Social Democrat (SPD) and liberal Free Democrat (FDP) government partners now seem to treat one another as rivals rather than alliesbut they have a leader of extraordinary prestige in Herr Schmidt.

The opposition Christian Democrats (CDU), along with their Bavarian sister party the Christian Social Union (CSU). have enough potential minis-terial material to fill two cabinets. But in Dr Kohl they have a leader who for many people, not least for rivals in his own party, still does not look like good Chancellor material despite nearly a decade of

experience in national politics.

If friction between SPD and FDP and the poor performance of both parties in provincial polls were enough to dispose of the Chancellor, then Herr aware of the esteem in which Schmidt would surely have both he and his country are

further decline in interest rates

month. Export sales, the one

are "running out of steam."

assessment of

the

1981. A Year's Work.

"WHY SHOULD we swap a gone months ago. But, accord- widely held abroad. That awareing to a close aide, there are at ness is said to be constantly Herr Schmidt would abhor least three strong reasons why strengthened by the flow of

> in the towel. The first is that the SPD-FDP was re-elected in October, 1980, and Herr Schmidt is nothing if

Herr Schmidt does not plan to world leaders who Herr Schmidt ingly nervous FDP by throwing accompanned by requests for financial aid but that in itself is seen as a back-handed compliment to the basis strength of pite current weak growth, state debt and unemployment.

Third, according to the aide, not a man of duty. It is hardly Herr Schmidt sees himself not too fanciful to suggest that if just, as SPD-FDP coalition

Herr Schmidt sees himself not just as SDP-FDP coalition leader but as a "Volkskanzler"—a Chancellor of the people. According to opinion polls, his standing has slipped a bit, but he is still the most popular politician in the country.

his desk amid the ruins, working his way through his Cabinet papers.

Second, the Chancellor is well aware of the esteem in which party, the SPD:

the walls of the ultra-modern leader but as a Volkskanzler-a Chancellery were to collapse Chancellor of all the people (and there are many local True, his standing has slipped lovers of fine buildings who a bit according to opinion polls wish they would) then Herr -but he still remains the most Schmidt would still be seen at popular politician in the country. He is even relatively well thought of by supporters of the CDU who would never dream of

changing to Herr Schmidt's

Nor does he feel like leaving the West German economy, des- to please what he regards as a minority of second-rate opponents in his own party, notably on its left-wing.

successor! My God, My God!"

ing terms.

If Herr Schmidt goes, then it will have to be because the FDP has clearly withdrawn its . support and made the continuation of the coalition impossible. Bluntly, the FDP must be seen to have committed a kind of

All that shows why Herr.

Hans-Dietrich Genscher, the FDP leader and Foreign Minister, must now be feeling very uncomfortable. Herr Genscher deservedly has a reputation as the master conjurer on the Bonn political stage, never shutting out one option without opening at least two others. But Herr Genscher is in a tight corner. His party, which itself use won 10.6 per cent of the vote party.

at the last general election is. in the process of being over- has just decided no longer to over the marathon coalition chance is there for Herr Gen-taken as the country's third support the Social Democrats talks which are now under way scher to break and run if he political force by the "Greens" after 12 years of alliance with a diverse movement of ecolo-What conclusion is being gists, opponents of nuclear form a coalition there with the pleted by July 7. On the face pending a desertion.



Is Dr Kohl (left) good Chancellor material? Herr Schmidt (centre) and many others doubt it. Herr Genscher (right), however, could give West Germany the chance to find out

power and critics of the Super- CDU. Whether the FDP dithers of it, at issue is whether the campaign in Hamburg the FDP said in advance it would be ready to form a coalition with either the SPD or the CDU— but failed to gain the 5 per cent needed for parliamentary representation, thus rendering itself useless to either major

In the state of Hesse the FDP them-but instead to try to

situation, afford to be seen as being responsible for ditching urity payments and so on. a popular Chancellor? Gan he

These are the key personalon the budget for 1983, and which are supposed to be com-

powers (notably the United or switches partners, its future state should borrow a few bil-States). In the recent election looks grim. lion D-Marks less next year by Can Herr Genscher, in this saving a few billion D-Marks more on subsidies, social sec-

> It is relatively easy, however make it clear to the electorate to raise the matter to high that it is really the SPD—not ideological level, with the FDP Herr Schmidt—with which the lusisting on "consolidation of Liberals cannot work? state finances" above all, and demanding cuts which the SPD political questions which hover simply could never accept. The over the marathon coalition chance is there for Herr Gen-

(£2.380u) budget and with unemployment nearing 7 per cent in the city, the federal Government is unlikely to spend less next year. But when Boun even suggests there might be some fat which could be pared from its subsidies. West Berlin reacts with pained indignation. West Berlin commentators have admonished the West Germans to remember that the city is a "national task," not just another outstretched

W. Berlin

bridles at

hint of cut

in subsidies

YEW THINGS are more

likely to set alarm belis ring.

ing in West Berlin than a

him from Boun that its

DM 13bn (£3bn) in financial

support and subsidies for the

West Berlin is awash with

reports that one of the most sacrosance subsidies the tar-

free 8 per cent cash sup-

plement for each employee-

is about to be eliminated. Another claims the Bonn Government is ready to

abolish the subsidies on air

fares between West Bertin

Although West German officials refuts such reports,

they show the extreme sen-stituty of the Isolated city. Bonn is paying 54 per cent of West Berlin's DM 10.2bn (£2.38bn) budgef and with

and West Germany.

city may be reduced.

By Lesile Colitt in Berlin

West Berliners benefit from

30 per cent lower thesme taxes than West Germans and receive DM 42.50 (£11.56) monthly for each child in addition to the normal West German family allowance

There are also considerable advantages for businesses in the city. But the financial incentives have not presented a sharp decrease in manu-facturing jobs in a city which still prides itself on being the biggest industrial city between Paris and Moscow.

West Rerlin is expected to lose another 9,000 industrial jobs this year, reducing the total to 170,000 and more are expected to be lost as the ailing AEG-Telefunken

companies begin to measure their shortening order books company is one of the city's against their production schebiggest employers. AEG abandons deal, Page 8 FINANCIAL TIMES, published delily except Sundays and Holidays. U.S. subscription rates \$385.00 per annum.

Prospect of further stagnation in West German economy

BY STEWART FLEMING IN FRANKFURT

years. In the first four months ran at an annual rate of only in capital investment which all of this year industrial produc- 3; per cent. Corporate profit- agree is essential. tion was only about 2 per cent ability and corporate finances above the depressed level of are improving and domestic last summer. demand has not weakened

There is little prospect of a further. But the Bundesbank's latest in the immediate future, on the assessment provides little comcontrary, long-term rates have ford for those in Western risen significantly in the past Europe who have been hoping that the region's biggest, and sector of the economy which through the 1960s and 1970s has been buoyant, and which consistently most vigorous econrescued West Germany from a omy, would in the second half life-thereby fanning the grey-These are the main conclu- ing embers of its neighbours' sions of the half-yearly econo- spluttering economies.

The Central Bank carefully

Bundesbank, the West German refrains from drawing any conclusions about the future from Central Bank, released today. The report puts the best face it its analysis but the report procan on what is a depressing vides no comfort either for the DM 11bn. coalition Government in Bonn. most of its space to the positive the Social Democrats and the side of the economic balance Free Democrats, mistrust and dollar is attractive as an invest-

The chaos in the Government, the renewed rise in dollar interest rates are some of the obstacles to the Central Bank's efforts to lure West German interest rates down further. The Bundesbank report points out that although the West German current" account is moving towards balance after last year's DM 17bn (£3.97bn) deficit, the fully fledged recession last year, of this year spring back into capital accounts of the balance of payments have become a problem area. "The structure of capital transactions has recently clearly deteriorated," it says, adding that between January and April long-term

The

outflows

capital

its revenues by taxing interest at source, and this is encouraging an outflow of capital.

The climate has deteriorated even in the past few weeks. Earlier in the year private economists were confidently predicting that a combination of the deliberate easing in Bundesbank monetary policy begun in October and the growing confidence in the stability of the Deutsche Mark would lead to short-term interest rates of around 8 per cent this year and bond yields at around 81 per Indeed, as the Bundesbank

at the beginning of May abandoned the "special Lombard," which had been 12 per cent in totalled October, and reintroduced the normal Lombard rate for lend-Deutsche - Mark is ing to the banks at 9 per cent, The opening section devotes Between the coalition partners, recognised as a cheap currency the average yield on Governin which to borrow and the ment bonds was down to 8.68 dollar is attractive as an invest- per cent. Yesterday average sheet. The current account, it confusion are already rampant, ment currency. There are stock bond yields were up again at According to the Central In the first four months of hanging over says, was virtually in balance. That, in itself, is another ob- market fears, however, that the 9,36 per cent. Dr. Klaus Bank's mid-year report, real this year foreign ofders are 1 recovery.

THE WEST Germany economy for the first five months of the stacle to a revival in business Government in Bonn will, as has Wieners, chief economist at the gross national product (GNP) per cent down from the high has stagnated for almost two year. Consumer price inflation confidence, and to the recovery been suggested, try to increase Westdeutsche Landesbank says remains unchanged in the first level of the fourth quarter of that "this reversal alone will tend to delay the recovery that was expected in the second half

> According to the Govern-ment's predictions at the beginning of the year recovery was supposed to be strong enough to bring a real growth rate of around 11 per cent in gross national product this year and 3 per cent growth in 1983. This forecast seemed to many to be aimed primarily at bridging the political gap between the coalition partners on economic and budget policy.

The current economic reality makes depressing reading, especially when it is recalled that official strategy a year ago was relying on a combination of. export-led growth, re-stocking and falling U.S. interest rates to pull the economy back into

remains unchanged in the first level of the fourth quarter of quarter of the year in comparison with the first and the fourth that weakening demand from quarters of 1981 on a seasonally developing and Opec countries. adjusted basis. Real consumer and continued sluggish economic spending, reflecting the 1 per activity in Western industrial cent decline in disposable countries is beginning to affect incomes since the first quarter foreign orders. The German of 1981, is flat. Seasonally Meter Industry Association of 1981, is flat. Seasonally adjusted real capital spending (which fell 3 per cent last year) is also down on the fourth quarter of 1981.

The Central Bank concludes that although production and demand have stagnated there has been a shift in the the economy a fillip in the

It is precisely the former development which is causing the greatest concern. Last year's export boom-foreign orders rose by 16 per cent in 1981— Thus it would appear today transformed what threatened to the best that can be hoped for be a substantial decline in real GNP in West Germany into a In the first four months of hanging over the timing of a

Thus it would appear today from the West German economy at present is more stagnation. with the question mark still

yesterday reported, for example,

Germany's leading commercial bank - has recently suggested

that the re-stocking which gave

first quarter may peter out as

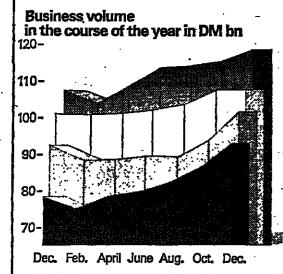
to slow.

that car exports are beginning

The Deutsche Bank, West

Deutsche Bank

Share in exports



Development of business volume.

1978 1979 1980 1981

Balance sheet total 1971-1981 in DM bn Development of balance sheet total. Deutsche Bank Group Z Deutsche Bank AG

Cautious business expansion and further earnings increase.

The bank's earnings-oriented business policy also proved reliable in 1981. The operating result again increased substantially. But in view of the difficult situation of a growing number of companies, sectors and debtor countries we again considered it advisable to make greater allowance for risks through adjustments and provisions.

The capital increase in April 1981, which strengthened the bank's capital and reserves to DM 4.87 bn., provided new scope for growth, only part of which was, however, used to expand the volume of credit extended.

in 1981 the business volume of Deutsche Bank grew by 10% to DM 118.2 bn. In the Group business volume. reached DM 196.4 bn., which was DM 18.3 bn. higher than one year before.

Brisk foreign trade business,

Deutsche Bank strengthened its market share in foreign commercial business. Above-average growth was achieved, especially in the settlement of export business...

Our foreign-branches have widened and intensified their business links with local corporate customers, Following the liberalization of Eurobusiness in New York, our New York Branch set up an international banking facility; it is therefore eligible for the advantages resolved by the Federal Reserve Board for international transactions.

In 1981 we again exercised deliberate restraint in syndicated Eurobusiness. We participated only in a number of selected large credits, mainly in the U.S.A., Canada and Mexico.

Expansion of foreign network.

In May 1981, we opened a branch in Barcelona. In September we opened a representative office in Peking. On October 1, Deutsche Bank (Canada) commenced operations in Toronto. It engages mainly in corporate customer business. as well as in money and foreign exchange dealing, and takes part in project financ-

At the end of 1981, Deutsche Bank operated 13 foreign branches and 7 whollyowned subsidiaries abroad. Taking our affiliates and representative offices into account as well, we are represented in 53 countries by 90 bases.

Successful foreign subsidiaries.

Deutsche Bank Compagnie Financière Luxembourg expanded its credit volume by DM 4.1 bn. (converted) to DM 17.1 bn. The operating result increased markedly and permitted comprehensive provision to be made for the risks in international lending business. The reported profit of DM 42.3 m. (converted) was - as in the past - allocated to the free reserve to strengthen equity capital.

Our subsidiary in South; East Asia, Deutsche Bank (Asia Credit) Ltd., Singapore, was able to consolidate its position further. At year's end the balance sheet total came to DM 21 bn. (converted previous year: DM 1.7 bn.).

Atlantic Capital Corporation (ACC), our

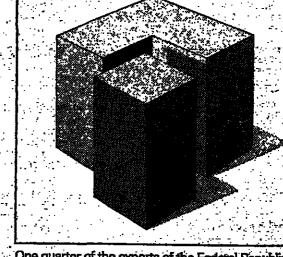
investment banking subsidiary in New York, continued to expand its national and international activities.

A large increase was recorded in business with private and institutional investors and in own-account trading. ACC took part in arranging over 300 issues of new shares and bonds. Over and above that, it again participated in the financing of European companies' investment projects in the U.S.A. (bond financings, leasing transactions, acquisitions etc.).

Deutsche Bank (Suisse) S.A., which devotes its attention primarily to portfolio investment business with our international private customers commenced operations in Geneva and Zürich in June

Growth in Euro-issuing business.

In international issuing business the emphasis in our activities shifted to the Eurodollar sector. Altogether we acted as lead manager, manager or co-manager for 139 Eurobond issues (previous year: 128). The largest individual transaction under our lead management was a US\$ 500 m. bond issue for the World Bank



One quarter of the exports of the Federal Republic of Germany is settled via Deutsche Bank.

Successful EBIC affiliates.

The EBIC banks, in which we together with our European partner banks in EBIC have a holding, registered good results again in 1981.

European Asian Bank AG; Hamburg, Which operates in 11 Asian countries with branches of its own, increased its balance sheet total by 30% to DM 5.3 bn.; European American Bank (EAB), New York reached US\$ 8.1 bn. and Banque Européenne de Crédit (BEC), Brussels, expanded its balance sheet total by 45% to Belg. frs. 155.7 bn.

European Banking Company Ltd. (EBC), London, European Arab Holding S.A., Luxembourg and Euro-Pacific Finance Corporation Ltd., Melbourne, also recorded considerable growth in their balance sheet totals and operating results: in 1981.

approves price and pay freeze

BY DAVID WHITE IN PARIS

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V. Berlin

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THINGS are to the control of the con

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\Lelez A section of Section wages and prices up to the end after the cut-off date.

reiling on company dividends. These will be allowed to rise by no more than 8 per cent a year on average in 1982 and 1983. The wage and price measures will be made retroactive from June 11, the last week-day before the announcement of the austerity package in the wake of the devaluation of the

French franc. The wage freeze applies to employees throughout the public and private sectors. But an exception is made for workers on the minimum wage, who are due to receive a 3.2 per cent raise to FFr 19.64 (£1.64) an

hour on July 1. This concession comes after the target annual inflation rates pressure from both trade of 10 per cent this year and 8 unions and members of the Government's parliamentary majority to protect living stan-dards in the lowest income

Commensatory relief measures are to be offered to employers to cushion the impact of the minimum wage increase.

are for long-service premiums to cover rents and some utilities. and genuine promotions. The main items excluded from Penalties for infringement are the price freeze are petrol and fixed within a range of FFr 600 producers prices for farm goods.

to FFr 1,200 per employee. The Government is to make

THE FRENCH Government will the four-month period but it has table legislation tomorrow to promised to restore the enforce its planned freeze on principle of free negotiation

of October.

Both the leftwing CFDT
The law approved by the union, which had proposed a
reiling on company divides a renegotiation of existing pay agreements instead of resorting to legislation, and the moderate Force Ouvriere protested against this move.

M Pierre Mauroy, the Prime M Pierre Mauroy, the rrime.
Minister, who initially declared
himself in favour of a
negotiated settlement, has
invited unions and employers'
representatives to a second
"round table" meeting on July

The Government is already taking precautions to avoid a sharp wage increase when the freeze ends in November. It plans to draw up branch-bybranch moderation pacts lasting to the end of 1983, based on the target annual inflation rates per cent next year, with provisions for raising real earnings among the lowest-paid.

An early exit from the freeze, from the beginning of October, is to be allowed in certain instances on the basis of these

Current legislation covering The only other exemptions price controls is to be extended the price freeze are petrol and

arrears on its commercial debt repayments.
After several months of renegotiating the conditions attached to the standby lean, the IMF is believed to have won assurances that farm prices will be raised progressively to reverse the neglect reception in Spain of agriculture, energy prices will be increased to encourage conservation, wasteful invest-ment will be pruned, and interest rates will be raised on

> vent them draining out of the country. The IMF has also been pressing Romanian officials for better economic information, a move welcomed by commercial bankers who have insisted they can make no move on rescheduling \$3bn of Romania's 1981-82 foreign debt until they are given a more accurate picture of the

hard currency deposits to pre-

country's economic prospects. Romania owes around \$10bm, less than half the Polish debt. But the maturities on these loans are badly bunched, so that, according to some estimates more than a third of this is due for repayment this year. Part of Romania's foreign debt-more than \$1bn-is in the form of export credits guaranteed by Western governments. It is considered likely that these governments will have to agree on some rescheduling to postpone re-payments of these official

the Western banks.

French Cabinet | Brakes put on chaos of MEPs' expenses

URGENT STEPS are to be

investigations into the row over or another, have received more form of sterling payments made in error since 1979.

which broke in Strasbourg last ranted.

Mr Dankert refused to comweek have failed so far to estab-lish any deliberate fraud. In-stead, he pointed to a break-down in the parliament's accounting system.

During a Press conference called to discuss the parlia-ment's bid to secure wider budgetary powers inside the EEC, Mr Dankert disclosed that the problems over MEPs' per-sonal expenses extend further

Romanian

debt move

expected

By David Buchan,
East Europe Correspondent

RESUMPTION of lending this week by the International Monetary Fund to Romania should speed up the reschedul-

ing of the country's heavy commercial and official foreign debt, bankers in London said yesterday. The IMF executive board

approved on Monday a 1982 economic programme under

which Romania can draw a second \$500m tranche of the \$1.2bn (£690m) standby

credit it was granted last year. The Fund lent Romania

government began to fall into

Mr Dankert said repeatedly that he was unable to put a prethat he was tinable to but a pre-cise figure on the sums in ceived by politicians who sub-question, although a ceiling of sequently became members of \$6bn (£3.3bn) was being cited yesterday as the total of out-standing accounts under review. The European assembly, how-ever, did make it plain that the

taken to halt the "chaos" of Some 80 cases of "chaos" of Some 80 cases of "chaos" and maladministration have Mr Piet Dankert, president of already been brought to light in which members of the European Parliament.

Mr Dankert emphasised that pean Assembly, for one reason the European Parliament of the European Parliament.

Mr Dankert emphasised that pean Assembly, for one reason the European Parliament of the European Parliament. sterling, some Irish parliament lined the lack of control exer-arians are understood to have cised by the parliament's adminbeen receiving a bonus in the latrative staff over the 434 form of sterling payments made members' spending.

The European assembly, however, did make it plain that the only one MEP had been asked It also emerged yesterday that investigation into undeserved to pay back funds, although a sizeable proportion of the EEC expenses payments from the more would shortly be asked to funds that have escaped tight parliament's cashiers extends budgetary control may have been beyond MEPs from Ireland and Mr Dankert (right): no paid to MEPs from the Irish the UK.

depublic. Mr Dankert's concern to ex-Owing to a confusion between plain that fraud has not been

The admissions of chaos made repeatedly yesterday by Mr ment on suggestions that such Dankert jarred embarrassingly payments may have been received by politicians who subcal control over Community

> to pay back funds, although more would shortly be asked to

that major banks had arranged



EEC job trends worsen

LUXEMBOURG - Unemployment trends in the European Community continued to rise last month and showed no sign of a downturn in the short term, the EEC Statistical Office said yesterday.

The number of unemployed dropped by 1.8. per cent to 10.2m in May. The drop was less than usual at this time of year, indicating a further deteriora-tion of the labour market. It nushed the seasonally adjusted figure of unemployment above 10.8m an increase of 1.6 per cent over April.

The statistical office said: illustrate clearly that, in the EEC as a whole, the upward granted under economic reforms trend in unemployment has continued now for some 30 months."

The unemployment rate in the 10 EEC countries was 9 per cent at the end of May, compared with 9.2 per cent in April and 7.3 per cent in May, 1981.

Poland's draft budget By Christopher Bobinski in Warsaw

Parliament

rejects

POLAND'S PARLIAMENT has rejected preliminary budget proposals presented by the Govern-ment last month and has told Mr Marian Krzak, the Finance Minister, to devise a new version of the budget by the end of this

The Budget Committee wants to force the Government to cut back the Zl 368bn (£2,45bn) deficit which Mr Krzak had

originally proposed.

This is the first time Parliament has intervened so strongly and marks its emergence as a new force in the never-ending straggle for resources by the various industrial and political lobbies in the Government. MPs are seeking a reduction

in government subsidies to industry which had been planned to absorb around half of public spending this year. Some of the drive behind their action comes from a group of advisers to Parliament, includ-ing Mr Henryk Kisiel, a former Finance Minister, and Mr Jozef

Pajestka, an economist and onetime deputy head of the Planning Commission. The Budget Committee has also criticised the compulsory loan-amounting to 30 per cent

of after-tax profits-which state enterprises must make to the Government, and which Mr Krzak is proposing to cover part of the budget deficit. The loan is unpopular among

"The seasonally adjusted figures managers who see it as a blow illustrate clearly that, in the to their fledging independence, introduced this year which permit them to spend profits as they see fit.

Reuter adds: The military regime is preparing to dismiss university teachers whom it considers to be political opponents or academic deadweight, according to Mr Benon Miskiewicz, the

\$154m initially, but last autumn halted further pay-ments as the Bucharest In order to impose the issues of confidence both of its freeze, the Government has to general policy statement in the suspend a 1950 law guaranteeing National Assembly today and of free collective bargaining for its wage-price law tomorrow. Mitterrand has cool

BY ROBERT GRAHAM IN MADRID

THE FRENCH President, M. allow Spanish petitions to extra-Francois Mitterrand, yesterday dite Eta members. This has inbegan a two-day official visit to furiated Madrid, which believes Spain in an atmosphere of barely that tougher control of Eta inof his hosts. No visit to Spain aid the fight against terrorism. by a bead of state since the. death of General Franco has been treated so coolly or had such little promise of positive

The Madrid Government was puzzled by M. Mitterrand's re-World Cup competition and, in-wing. deed, it seemed that originally he intended just to watch France play football. The Spanish did their best to dissuade trim from towards Spanish membership making it an official visit, point of the EEC. In Madrid, the ing out that relations were at a French are widely regarded as delicate phase and that little the chief impediment to a swift

The basic reason for Spain's hostility-amply reflected in editorials yesterday — arises from France's perceived tolerance on French soil of leading M. Mitterrand has refused to sumption in France.

concealed hostility on the part side France would considerably

As a gesture to soften such criticism, the French authorities two weeks ago detained 28 Eta members for questioning. All were released except a man nick-named "Txomin," who is regarded as the leading memquest to visit Spain during the ber of Eta's hardline military

The other bone of contention conclusion of the negotiations on Spanish entry. There have been bitter rows over alleged French tolerance of angry farmers in the South of France destroying Spanish produce figures of Eta, the militant being carried in lorries and by separatist organisation. train-not necessarily for con-

Italy urged to rush through laws on bank shareholding

Italy.

BY RUPERT CORNWELL IN ROME

SIG NINO ANDREATTA, the the Bourse, and enable the separately reported in Milan Italian Treasury Minister, yesterday urged speedy parlia-mentary ratification of laws compelling banks to give full details of their shareholding structure and to produce con-solidated results which covered the activities of subsidiaries.

At the annual meeting of the Banking Association in Rome, Sig Andreatta declared that had such measures been in force, they would have pre-vented, or at least limited, the crisis gripping Banco Ambro-siano, head of the country's biggest privately-owned bank-Events had shown, he said,

that the powers vested in the Bank of Italy by the present laws were not enough to break down the screens put up by major shareholders to protect their identity. The two laws would provide

both for a detailed picture of the ownership of private com- in other similar occasions on holding companies, but the panies and banks quoted on Italian banking history. It was position had never been clear.

central bank to assess the a substantial injection of standing of a bank, taking into liquidity into Ambrosiano via account its various holdings, including those based outside the interbank market, boister confidence further. Meanwhile, the three com-Ambrosiano had been promissioners sent in by the Bank of Italy are stepping up their drive to throw light on Ambro-

mising its first ever consolidated accounts covering years from 1983 on. But siano. The aim is understood hitherto its myriad foreign to be to prepare a new set of accounts, reflecting the bank's are concentrated, had escaped day that the central bank took charge of its tangled affairs. scrutiny. The commissioners are also Sig Roberto Calvi, the bank's chairman, who was following the bank's accounts

supervisory department of the

central bank to assess the

found dead in London last week, is widely believed in Rome to have taken many secrets with him to the grave. Events on the Milan Bourse. nevertheless, suggest that the exact ownership of Ambro-market is regaining it nerve, siano. Before Sig Calvi's death, Sig Andreatta declared that it was assumed that he held the banking system would rally effective control through a round to contain the crisis, as number of obscure foreign

But there is still widespread apprehension over the secrets that might be uncovered. particularly concerning the

on a day-to-day basis.

Saudi Arabia's t vou out of the

If you're looking for new areas of expansion, it's well worth considering the Middle East.

Saudi Arabia alone is currently spending 235 billion dollars on its development plan.

While the total development budget of the Arab States exceeds 600 billion dollars. Making it the most significant area in the world for capital projects. And one that's likely to remain so until the end of the century.

If you'd like to explore the possibilities hereforyour company, no one is better placed to advise you than Al Saudi Banque.

We've built up an unrivalled chain of contacts in the Middle East. Largely through local businessmen who originally helped found the bank.

As well as advising you on your choice of partners, we can provide working capital, bid bonds and performance guarantees.

We can assist you with foreign exchange, trade finance, letters of credit and syndicated loans.

In short, as the Arab States expand, we can help your business to do the same. If you'd like to discuss any of our banking

services call Mamoun Darkazally or Mike Reddy at (01) 236-6533.

City: 52-60 Cannon Street, Lundon ECAN 6AN. Tel: 01-236 6533. Telex: 8813438 ASB G. West End: 31 Berkeley Square, London WIX 5HA. Tel: 01-493 8942. Telex: 23875 ASB WG.

Investors look for easing of Portugal's regulations

BY DIANA SMITH IN LISBON

PORTUGAL HAS improved as a credit risk in recent years, according to Sr Alexandre Vaz Pinto, the president of the country's Foreign Investment Institute. He was speaking on the second day of the Financial Times conference: "Portugal—a new outlook." "After the revision of the

1976 constitution, it should not be expected that the ambiguities be expected that the ambiguities characterising the present constitution will be completely removed in the pattern of economic organisation that will be defined," he said.

However, "I am not convinced that the persistance of those ambiguities represents a serious obstacle as far as attracting foreign investment

as attracting foreign investment is concerned — provided the Government's Government's performance helps pragmatically to clear up

doubts.

"After the revision of the constitution, the Government will send to Parliament a new law on the limits of public and account which will allow private sectors which will allow the opening up of some areas forbidden so far to both Portuguese and foreign industrialists."

Sr Vaz Pinto stressed the need for a medium-term strategy which, he said, was imperative for the public sector and indicative for the private sector. He hoped the Government would focus its attention on this

strategy very soon. Mr Shiro Miyamoto, adviser to mr Shiro myanoto, adversed to the long-term credit bank of Japan and to the Ministry of International Trade and Industry, said Portugal's investingly ment incentives are relatively attractive compared with those of other Western European countries. A considerable longterm advantage is Portugal's suitable location in the logistics of re-exporting to the promising market of Africa.

FINANCIAL TIMES **PORTUGAL**a new outlook CONFERENCE

enterprises to invest. Britain has absorbed the biggest portion of direct Japanese investment so far because the language barrier there is relatively low and because the UK has been making considerable efforts to invite foreign investment.

He praised the UK's promotion offices in Japan and sug-gested that the Portuguese should make far more energetic efforts to promote their country's image in Japan and to intensify contacts between Portuguese and Japanese enter-

prises.

Mr Miyamoto warned that the lack of information about Por-tugal in Japan since the turbu-lent days of the revolution meant that many Japanese entrepreneurs tended to look at it as an unknown, and there-

fore high risk, area.
Mr Michael Billyard-Leake,
representing Mr Tarek Kassem, representing Mr Tarek Kassem, chief executive of the Arab Bank Investment Company, warned that the pattern of Arab investment was generally gradual, and that Portugal's foreign investment priorities might not be suitable for Arab capital. However, he quoted the example of the establishment in Spain of the Arab Spanish Rank as a possibility for Portu-Bank as a possibility for Portugal to followin in the distant future or Arab participation with local interests in a private

He also suggested that tour-However, he said, Portugal is ist development might be an not necessarily the most attractive inducement to an favoured place for Japanese initial Arab presence.

Sr Fernando Faria de Oliveira, Portugal's Secretary of State for Export, standing in for Sr Bayao Horta, the Industry Minister, set out the basic guidelines for increasing Portu-guese exports and of general industrial policy.

The main corrections of Portugal's deficits had to be in the food and energy balances.

debts, in line with action by

However, it was necessary to build up exports in a lasting manner. Both products and markets

had to be diversified consider-ably and weak areas like the export of services, had to be

"Joining the European Com-munity "offers us enormous potential which can help decisively to solve many of our structural problems. But the conditions under which we join must be appropriate to our level of development." Sr Orlando Morbey Rodrigues

head of Phillips of Portugal and a vice-president of the Portuguese Industrial Association, called on industry to improve its technological com-petitiveness and stressed the role of small and medium sized companies in the growth of Portugal's economy.

He accentuated the need for increases in productivity, but praised Portuguese workers and asked for greater capacity for introducing innovations and the promotion of regional development.

Mr Francis Stankard, executive vice-presiednt of the Chase Manbattan Bank, had praise for Portugal's credit-worthiness. He said that Chase Manhattan had always had a very high regard for Portugal, its hard-working people and its centuries-old investment company in Portu- culture.

However, he warned that there were some factors which were less encouraging, like the

BY PATRICK COCKBURN IN DAMASCUS

"KALAM FADI—empty words," hotels, their sweetly dressed Party. Criticism of the regime fillings between two low walls, said a Syrian switching off the wives and daughters looking today is less than at any time. But since February ther Damascus television news and tuning his radio to a foreign of Vogue.

But since its ceasefire with Israel almost two weeks ago. Syria has been forced to content itself with words. "They are afraid that Sharon will launch an all-out attack on Syria, will try to destroy their military machine," said a diplomat in Damascus. "They know they will lose a war."

The solidarity with the for a packet of 20. Palestinians declared by Syrian is now verbal rather than "the strategic balance of power" is against it. In a bleak statement of restrained defiance

Certainly there are few signs of war in Damascus. Wealthy

The belief that Syria itself is of war in pamascus. Weating
Lebanese refugees throng the in danger clearly strengthens
lobbies nad swimming pools of the Government of President
the Sheraton and Meridien Hafez and the ruling Ba'ath

fleets step

WASHINGTON - Both the

have significantly increased

their naval power in the

Mediterranean following Israel's invasion of Lebanon,

U.S. Navy strength in those

waters rose sharply over the

weekend to a total of 52 ships,

including four aircraft car-

rier battle groups, according to the officials. This was

believed to be the largest dis-

play of U.S. Naval power in

the Mediterranean since the

1973 Arab-Israeli war when

ahout 60 American ships were

Meanwhile, the officials

said the Soviet Navy has

raised its presence to 39 ships

—higher than normal but

well below the 96 vessels which faced the U.S. fleet in

Only last week, Pentagon

reported the Soviet and U.S.

navies each had about 30

naval ships in the Mediter-

Traditionally, both the U.S.

and the Soviet Union increase

their naval power in the area

when ever the Arab-Israeli

Although this increases the

risk of U.S.-Soviet conflict,

both superpowers have taken

precautions in crisis after

erisis to avoid escalating their

demonstrations into actual

In this case, officials said.

the U.S. naval build-up had

been planned for some time

before the Israelis invaded

Lebanon more than two weeks

ing the aircraft carriers For-

were due to sail from the

U.S. east coast to replace two.

other carrier groups which

have been on station.

restal and Independence.

Two bottle grouns, includ-

Henry Catto,

the Mediterranean in 1973.

STOKESMAN.

feud heats up.

Pentagon officials say.

U.S. and the Soviet Union

like illustrations from the pages

There is a shortage of lemons. used extensively in Syrian cooking, and previously imported from ordiards in the coastal plain around Tyre, where Israeli Palestinian LTOODS and guerrillas are still skirmishing. Western cigarettes, smuggled from the Lebanon, are also becoming scarcer, and their price has risen from SES to SES

Yet, to look at the tranquil President Hafez al-Assad at the beginning of the kraeli invasion rage 68 miles away in Bekrut is to underestimate the very real military. The Syrian Governimpact the war is having on the ment knows that what it terms popular mind. There is a widespread belief that in the longterm, war in unavoidable, that even if the Syrians do not want last weekend, the Government to fight. Israel will attack them noted that "the Syrian army cannot leave the Golan Heights and go to fight Israel in the official propaganda machine, oozing out sham militancy in a

since 1978. The Moslem Brotherhood, which led an escalating guerrilla war against the regime in the late 1970s, culminating in the uprising in the city of Hama in February, is now much less

active. The rebellion in Hama was savagely crushed. Thousands were killed and large parts of the city were either destroyed in the fighting of blown up afterwards. It is now being hurriedly re-built. Syrians still talk in shaken voices about the ruthlessness of the regime's

retribution Official buildings in Damascus now have walls in front of them prevent car bombs, á favoured weapon of the Brotherhood, from being driven up to the door. A bomb in Damascus last December killed 175 people caught by the blast in a crowded

In some cases these walls are bleakly functional concrete blocks, in others the security authorities have shown a sudden interest in horticulture and are

But since February there have been no bombs. The Brotherhood appears to have been crushed by the course of and Syrians, there is no doubt the U.S. Government, retribution and about the practical value of the because, whatever the Govern- alkance to both sides.

ment's lack of popularity, Islamic fundamentalism is opposed by many in Syria. "A surprising number of people have accepted what happened at Hama as necessary," said a Party always devotes much of the west. diplomat normally critical of its time to plotting the demise its time to plotting the demise Why Washington should be of the Government of President quite so adept at custing its own the Government. There is also a feeling that Saddam Hussein in Iraq.

even if Syria did not fight Israel for very long at the beginning of the invasion, no other Arab state fought at all. gives the Syrians greater lever-Only now is an Arab summit or Foreign Ministers meeting Syrian economy and war resolve the immediate promein machine and today are badly for the Arabs of another defeat frightened by Tehran. By acting as mediator between the under siege.

The invasion has institutional the crisis in the Middle being organised. To the east, Iraq is desperately trying to end its disastrous war with Iran while Jordan still engages in verbal sniplng with Damascus. Yet for the future shape of politics in the Middle East, it worth noting the speed with

clearly strengthen his hand. ised the crisis in the Middle In addition the Syrians feel East, ensured that no political that the Israeli invasion and the settlement will be reached and which Iran has offered aid to Syria. Its Foreign Minister, muted American response to it that in the future, as in the Defence Minister and head of

all come to Damascus, followed in future for any Arab rulers by some 2100 volunteers, who wishes to keep his head Although it is difficult to detect finally attached to his shoulders much warmth between Iranians to be seen to be friendly with

Inevitably the Americanism of Iran and Syria For although Western atten-will now find's greater response tion is almost exclusively among the rulers in the Gulf, focused on Syria's relations fearful for their thrones as they with Israel and the fighting in watch the Iranian army advance Lebanon, the ruling Baath in the east and the Israelis in

throat in the Middle East has His defeat in battle by Iran puzzled diplomats here in has caused nothing but re Damascus and no doubt forcing in Damascus. It also delighted the Soviets. In the long term, the diplomatic

age over the Saudis and the position of Syria is much Gulf states who subsidise the stronger but this does not

ised the crisis in the Middle have proved its point about past relations between Israel Washington's displicity. It will and the Arabs will be settled clearly be much more difficult by war.

Muldoon freezes prices and incomes

By Dai Hayward in Wellington

NEW ZEALAND last night imposed a 12-month freeze ou wages and puices. The freeze, announced by Mr Robert Muldoon the Prime Minister, in a special television broadcast, will also apply to directors fees, dividends, rents, and service charges Interest rates

will also be restricted. The Government wants to reduce New Zealand's inflation rate, now running at about 154 per cent on an annual basis, and forecast to go up another two or timee percentage points this year. Falling inflation in other countries, particularly its trading partners. Mr. Muldoon said, offered New Zealand "a printed and trade of the partners," to bring unique opportunity" to bring down its own inflation rate.

The Government wanted to maintain the present standard of living "while squeezing some of the inflation out of the economy."

To offset the effects of the reeze on wage and salary earners, the Government has offered income tax cuts from October. These well be amounted in the budget at the cord of July Barilsonant which end of July Parliament, which has been in recess since early

June, will be recalled on July 20 to discuss the measures. During the past month there has been a spate of price increases, covering a wide range of goods and services, including bread, beer, milk, petrol and rail and bus fares.

Reuter adds from Wellington: Yesterday's measures, which analysis said were the toughest ever introduced by a New Zealand Government and which stunned some members of Mr Muldoon's own party, were welcomed by farmers. manufacturers and employers' groups. But the opposition Labour Party and trade unionists said the package

would distort wages and be ineffective in controlling prices. The freeze follows an unsuccessful attempt by the Government to negotiate a wage control package with the country's trade unions. The only exemptions to the wage freeze are agreements currently being negotiated, including those for work on major energy projects. Price freeze exceptions are mainly for second-hand items,

goods sold at auction, some women's clothing and meat The Government will also be able to raise the prices of state-Price increases for most other

goods will be allowed only in direct reaction to rises in miport costs, changes in direct taxes or other unspecified government charges. Mr Muldoon said strict regu-

lations would enforce the rent freeze on all land and buildings. He said restrictions on to Lebanon his business had Israeli army officer set fire to lending rates would be matched setting the maximum levels which could be paid by banks, savings banks, building socie ties and finance companies.

Indian Presidential candidate named

ZAIL SINGH, a 66-year-old political veteran, received the nomination of Prime Minister Indira Gandhi and her ruling Congress (I) Party yesterday to become India's seventh President, the first member of the Sikh minority chosen for the largely ceremonial office, AP reports from New Delhi.

Mr Singh resigned from his cabinet post as Mrs Gandhi's Home Affairs Minister to become the Government candidate to succeed President Neelam Sanjiya Reddy, whose five-year term expires on July

state legislatures according to



Prince Sibanouk

signs of rift

ing his children and grand children only minutes after signing an agreement to work and fight together against a

common enemy.

But this is what Prince
Norodina Sihanouk, the
former Kampuchean head of state, said in Kuala Lumpur yesterday after he had signed an accord with Khien Samphan, the Kluner Bouge leader, and the non-Com-munist San Sann to form a

loose coalition government.

The coalition, fermed after nearly a year of haggling over

signing Press conference attended by all three coalition leaders, the grouping would appear downed to early collapse.

never made any bones about their distaste for each other. and the Prince made the point repeatedly that the need to resist the Victnamese should and could override personal and policy differ-

but they are patriots. Being patriots they will choose to fight the Vietnamese."

He also declared: "Rouge Khien Samphan conceded

that the Khmer Rouge had committed "errors" during

troops based in Kampuchea

tion will attract more inter-Rouge, had offered to increase military assistance. He did not say how much

aid the Chinese were prepared to provide. The five nembers of the Association of South-East Asian Nations -Thailand, Malaysia, Singapore, Indonesia and the Philippines—have welcomed the Kampuchean coalition. but shied away from publicly

On the political front, the formation of the coalition is seen as a means of increasing leverage against the Vietnamese in any possible nego-

Phnom Penh. The Prince said yesterday that as President of the newly-formed coalition government, he would go to New York in September to represent Democratic Kampuchea

at the UN General Assembly. Khieu Samphan is the coalition's vice president, with added responsibility for foreign affairs. Son Sann, whose dislike of the Khmer

that after the Vietnamese had withdrawn from Kampuches, the Khmer Rouge would bow to the wishes of the people in free general elections that could be supervised by the UN.

recall the horrors of the Khmer Rouge tyranny might be sceptical of this assurance. They can be assured, how-ever, that the formation of the coalition is unlikely to

Soviet, U.S. Israeli force far more up presence than needed'

BEIRUT-Israel has amassed a huge military force in Lebanon with nearly one-third of its tanks and most of its standing army-far more than is needed to remove the Palestinian guerrillas from Beirut, observers say.

They estimated that Israeli ground forces totalled nine armoured divisions with 90,000 soldiers. In addition, Israel has 1,300 tanks, 12,000 troop and supply trucks, 1,300 armoured personnel carriers, 3,500 ambulances and 300 buses to carry

Israel's peacetime army according to the International Institute for Strategic Studies, has only 135,000 infantry troops but is able to mobilize 400.000 soldiers in 24 hours. Its U.S.-and British-made tank force numbers 3.500 with 4,000 armoured vehicles.

Experts say the force is far larger than needed to overrun the 10 sq mile West Beirnt enclave where an estimated 8.000 well-organised Palestinian guerrillas are supported by about 1,200 Syrian troops and 10.500 Lebanese Leftist militiamen with varying degrees of training and experience.

Since Israeli forces linked up with Christian Rightist militiamen to encircle Beirut nine days ago, correspondents have seen a steady stream of Israeli armour and men heading north on the coastal road between the Israeli border and Beirut.

Israel plans to drive the remaining Syrian troops, who numbered 30.000 in Lebanon tinian camps—Nahr al Bared re-opened. and Beddani—located near The spr Tripoli in northern Lebanon.

BY LARRY KLINGER IN BRUSSELS

Speaking at the launch of a more attractive.

recent decades for sweeping and Pacific (ACP) countries.

nationalisation was fast dis- In his address to the meta

of private foreign capital.

director of the Brussels-based

Traders count their shekels as banks service the troops

BY DAVID LENNON IN TEL AVIV

ISRAELI SOLDIERS in Beirut vision, whose signals are being ing services normally available back home. Mobile Israeli in Lebanon. The Israel Army banks have reached the Leba- radio station also has its signals nese capital, offering troops all boosted, and its morning newsregular services, including reel programme currently inacceptance of instructions for cludes the weather forecast for the purchase and sale of securion the Tel Aviv stock

office in Beirut before the in Beirut, where they freestablishment of the state of Israel in 1948, and yesterday Israeli Ministers and other its mobile bank was in the city politicians. They also provide once again, serving its soldier a much fuller account of the customers. Most soldiers were apparently surprised at the right of the bank, although one was somewhat crushed to find that the mobile office can even flatly contradict information he check up on bank balances gives out. through a radio telephone. Despite his being overdrawn, the teller nonetheless agreed to

give the soldier some cash. Bank Leumi has two mobile branches operating within Lebanon, as well as new branches along the crossing points on Israel's northern border. The other banks have also moved up north to offer services to their clients who are away at the war, and they too has moved most rapidly. have sent mobile banks into

Lebanon The unceasing build-up has Israel is trying to persuade prompted speculation that Lebanese banks inside the captured areas to re-open. According to the governor of the central bank, Lebanese before the June 6 invasion, out bankers are afraid that there Major Saad Haddad. of east Lebanon's Bekaa Valley will be a massive withdrawal of and take control of two Pales- funds once these branches are

POTENTIAL European inves- appearing and that the develop- working seminar, attended by capacity. tors in Africa were told in ing countries were now actively about 40 officials from develop- The (

campaign directed at the metalcampaign directed at the metalworking industries of westby the CID, which is the investtures to expand existing small
central Africa, Mr Jens Mosgard, ment promotion body set up and medium-sized industries.

under the EEC's special Lomé

Centre for Industrial Develop- trade and ald arrangements cheapest and most effective way ment (CID), said the trend over with the 62 African, Caribbean of creating employment. Much of

tions were generally being made ACP countries over the past 12

are now enjoying all the bank- boosted so that it can be received clearly by the troops

Israel Television and radio narket.

Bank Leumi had a branch have full-time correspondents interview course of the war than does the army spokesman in Tel Aviv, who is frequently embarrassed by radio and TV reports which

> There has already been talk of rebuilding railway lines to Beirut and an Israeli family who ran a tax service from Haifa, Israelis northern port, to Beirut before 1948 have asked the Israeli authorities to allow them to restart the service.

But it is in supplying the much more immediate need of basic foodstuffs in occupied southern Lebanon that the trade Trade is already running

into millions of shekels daily traders who formerly bought goods in Israel and sold them to the villagers living in the southern enclave controlled by the Israeli-backed militia of

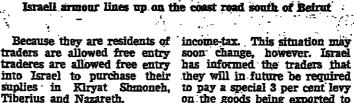
With the new horizons created by the Israeli occupation, traders are spreading their areas The spread of the Israeli of operation. Yesterday food civilian presence in Lebanon worth Sh1.5m (£37,500) was sold now also includes Israel Tele- at the Melulla crossing point

months uncovered a widespread

This was regarded as the

In his address to the metal- ing at 40 per cent below ject for trailers and farm imple- ject sponsors,

existing industry was now work-



One Lebanese trader said that since relative calm had returned

He now supplies goods to 40 Lebanese retailers. Among the most popular items are fruit and vegetables, flour, oil and sugar, as well as beer and beef.

made over Sh 500m in the past two weeks, and he will be able to enjoy it all. In the absence captured Sidon. "I decided to of central government rule in burn it rather than expose my Lebanon, he does not have to ment to temptation," he was pay either customs duty or quoted as saying.

campaign follows a similar one

launched in February for East

African metal-working indus-

tries. Officials said yesterday

that of 31 projects presented in that programme, five joint ver-

tures are going ahead in principle and 13 projects are being considered for ACP financial

Typical of the joint ventures,

officials said, was a Swaziland-Netherlands diversification pro-

SPOUSOTShip.

on the goods being exported to Lebanon.

Reuter ads from Tel Aviv: An (£111,788) in the southern Lebanese town of Sidon to

money after Israeli forces captured Sidon. "I decided to

food industries in West Africa.

Investment drives for the Carib-

bean and Pacific Ocean areas

broker between private Euro-

pean investors and ACP pro-

The CID acts as honest

are to follow.

ensure the money was not looted by his troops, the newspaper Yediot Aharonot reported One trader said that he had yesterday. It said the officer found the

African countries' investment climate improving

ments and a Malawi-Belgian The CID's latest sectoral project for foundry expansion, ampaign follows a similar one Ten central African countries were represented at yesterday's seminar, presenting 45 proposed projects, The CID plans a third campaign on November 3, aimed at the agriculture and

that Mr Singh would be elected in the July 12 voting by all members of parliament and a population-weighted formula The formula gives Mrs Gandhi's party about two thirds of the

TO ALL LEBANESE AND FRIENDS OF LEBANON

In response to the appalling and Lebanon, caused by the Israeli invasion which has left thousands of casualties, massive destruction of homes and property presenting a drastic human problem, the Lebanese Embassy and the Lebanese community are launching a fund

A fund has been established at East, Curzon Branch, London, WI.

Account Number 12484471
All correspondence and cheques
should be mailed to:
Embassy of Lebanon
Ref. 14LF
21 Kensington Palace Gardens
London W8 4QM
(Receipts will be issued upon request) We thank you in advance for your kindness and generosity

Brussels yesterday that condiseeking private European parting countries and 30 executives tions in the developing coun-ners. tries were becoming increas- Inve tions in the developing counners. Trepresenting all the EEC tries were becoming increasInvestment rules were being member-states, Mr Mosgard said ingly attractive for the injection liberalised, he said, and condiCID contacts with more than 50

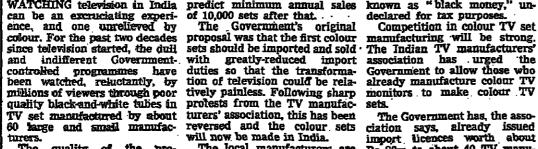
suffering of innocent victims.

the British Bank of the Middle You are urged to donate to this humanitarian cause. Monies will be distributed by the Red Cross and other charitable Lebanese organisa-

Cheques should be made payable to 'The Help Lebanon Fund' Account Number 12484471

ANTICIPATING THE COLOUR TV REVOLUTION

Indian television manufacturers in race to brighten viewers' lives



The quality of the programmes is unlikely to improve, unlikely to be able to cope in facturing units for this purpose. but Indian television is on the time available, so there may If these would be used for verge of a revolution. The Government has: after consider- collaboration. Japanese and able delay, decided that the German companies like Sony facture at least 60,000 sets and country needs colour TV and and Bosch already have meet part of the demand before that it should be launched collaboration ararngements with the Asian Games. before the Asian Games begin Indian electronic companies for in New Delhi next November.

the drabness of TV was taken (now sold at Rs 42,000 (£2,470) if the Government endorses just a month ago and the indus- each, after importing comtry is jubilant. The first sets are ponents in kit form. bound to be expensive—estiSo starved are the compara- says most of the black and white 1989. The race is for the longmated at around Rs 8,000 (about tively few rich Indians of entermanufacturing units have built term markets, for which no £470) each—but even so, it is tainment that there is a ready up the necessary infrastructure policy has yet been formulated. Asian Games to be a success or five times that available at estimated that 160,000 homes market for these sets even at for production of colour TV If the foreign firms get a toe- and viewed through colour sets, present and there is as not not colour to the sets are not not colour to the foreign firms get a toe- and viewed through colour sets, present and there is as not not colour to the foreign firms get a toe- and viewed through colour sets, present and there is as not not colour to the foreign firms get a toe- and viewed through colour sets, present and there is as not not colour to the foreign firms get a toe- and viewed through colour sets, present and there is as not not colour to the foreign firms get a toe- and viewed through colour sets, present and there is as not not colour to the foreign firms get a toe- and viewed through colour sets, present and there is an access to the colour to the c will be brightened with colour the price, partly because the sets. All they need is the signal hold now, their Indian counter. It may opt for the easier choice sign of any Government moves by November. Manufacturers funds are obtained from what is to go ahead.

parts think they might as well of allowing in foreign com- in this direction.

WATCHING television in India predict minimum annual sales known as "black money," uncan be an excruciating experior of 10,000 sets after that declared for tax purposes. ence, and one unrelieved by The Government's original Competition in colour TV set controlled programmes have duties so that the transforma- Government to allow those who been watched, reluctantly, by tion of television could be rela- already manufacture colour TV millions of viewers through poor tively painless. Following sharp monitors to make colour TV Games. quality black and white tubes in protests from the TV manufac- sets. TV set manufactured by about turers' association, this has been The local manufacturers are

be some possibilities for foreign assembly of colour monitors for it can meet the rest of the dropped sharply. The decision to try to remove use with video cassette recorders demand for another 100,000 sets

The Government has, the asso-

Rs 80m to about 40 TV manumaking colour TV sets, the the larger Indian electronic Indian manufacturers could industry could quickly manu-

The fear of the association is, close down.
of course, that foreign com- The Indian manufacturers. declared for tax purposes. of course, that foreign com- The Indian manufacturers. Cynical viewers of the Competition in colour TV set panies will bag the major share are helped by the working Government's lacklustre proavailable to meet the timetable to launch colour before the

Nearly 70 per cent of the black and white sets are made by small manufacturing units with an investment of less than Rs 1m each.

If the foreign companies come in and form partnerships with firms, these small units are doomed. As it is, with the valuable foreign exchange. The announcement that Indian tele-

A working group set up by if the Government endorses the Government last year existing licences for import of assessed the demand for colour black and white components. It TV sets at around 400,000 by lated almost immediately. The grammes through, there is no So starved are the compara- says most of the black and white 1989. The race is for the long- Indian units fear that, because problem about the hardware. If the foreign firms get a toe- and viewed through colour sets, present and there is as yet no

types.

ported components — estimated ducis, transmissions have a initially at around 1,000 per set however, ambitious plans to Given the help of some immeet the demand and save group estimates that to manu-1.2bn would be required.

term scheme, stretching to the

colour. For the past two decades proposal was that the first colour manufacturing will be strong of the colour TV market group's finding that the design, grammes think the exercise is since television started, the duil sets should be imported and sold. The Indian TV manufacturers' because of the short time in development, engineering and academic. The rainbow-coloured and indifferent Government, with greatly-reduced import association has urged the which the sets must become production of colour sets "is bubble before the TV industry well within the capability of our could burst easily after the TV industry." The group pointed Asian Games simply because out that some public sector the Government-owned tele-companies and national labora- vision network lacks interesting tories have already made proto- programmes. At present, except types.

for programmes based on the Bombay film industry's pro-

> commercialise Indian television. The possibilities are enormous since microwave circuits will be available by the end of he Asian Games.
>
> vision is to go colour, sales of facture all the sets in India an the year and make possible two
> The association claims that black and white sets have investment of about Rupees way picture transmission, and way picture transmission and hence a national hook-up linking The policy for such a long- nearly 15 major cities and towns With a national colour TV

1990s would need to be formu- hook-up and sets to view prothe Government wants the But this will need software three



Kampuchea coalition shows early

By Jonathan Sharp in Kuala Lumpur

FT IS not often that you hear one partner of an alliance accusing another of murder-

how the three would share power, has been encouraged by Malaysia and other non-Communist South-east Asian nations as a means of boost ing opposition to the three-and-a-half-year-old occupation of Kampuchea by Vietnam.

Judging by the Prince's tirade against the Kinner Ronge, uttered at a post-

But the three men have

The Prince said of the Khiner Rouge, who held power in Kampuchea before being ousted by the Vietnamese in 1979: "They are crude,

or non-Rouge, we have to unite in order to de-Viet-

its time in power. The prespects of the new coalition's 40,000 armed men being able to dislodge the estimated 200,000 Vietnamese

are poor. One hope is that the coalinational aid than the three separate resistance groups. But Prince Sihanouk disclosed that only China, the principal backer of the Khmer

coming forward with military

tiated settlement of the Kam-

puchean issue.
In particular it is assumed that the existence of the coalition will mean that the Kampuchean seat in the UN, which has been held by the Klumer Rouge alone under their title of Democratic Kampuchea, will continue to he denied to the Vietnamese installed Government in

Rouge was a major obstacle in the formation of the coali-tion, is Prime Minister. Khieu Samphan reaffirmed

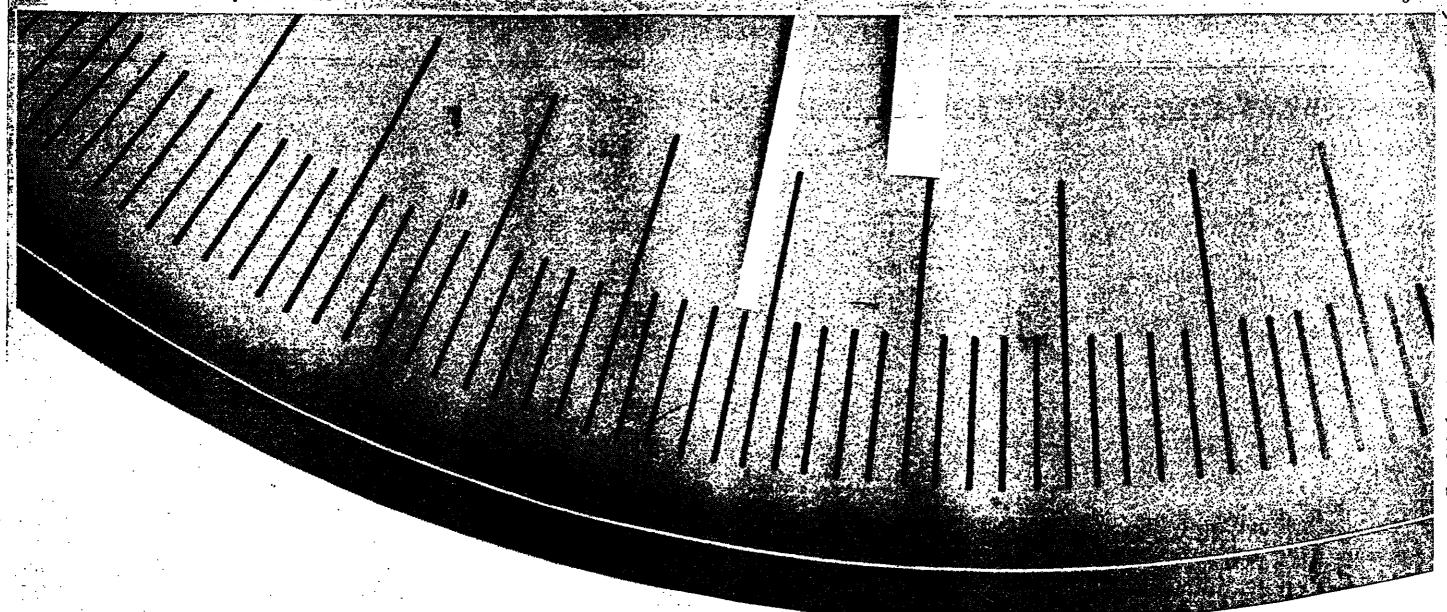
Many Kampucheans who redraw the political man of South-East Asia

a wholly British

dwned company

Multitone

founded



When you need to move money fast, you need someone who talks your language.

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Time is money. And in the race against time, the Chase is on.



Energy costs fuel sharp rise in U.S. inflation rate

BY ANATOLE KALETSKY IN WASHINGTON

INFLATION in the U.S. accel- fallen into the habit of quoting erated rapidly in May, return- inflation figures for a single ing the economy to its under- month at an annual rate to lying trend of moderate infla- show the dramatic improvetion after a brief period when ment which had taken place. prices were almost static.

rose by 1 per cent in May, the Bureau of Labour statistics reported yesterday. This compares with an increase of only 0.1 per cent in the previous three months.

The main reason for the acceleration of inflation was an abrupt but expected increase in energy costs. Petrol prices, which rose by 0.9 per cent in May, after falling a record 6.7 per cent in April, accounted for three-fifths of the acceleration in the overall index, Government statisticians said.

As petrol prices had dropped last year and April this year, there is undoubtedly more bad news to come from this source. The transport costs index as whole rose by 0.4 per cent in May and home energy costs increased by 1.6 per cent, after a drop of 3.8 per cent in April.

Other big increases occurred in mortgage costs, up by 1.7 per cent, and food prices, which rose by 0.8 per cent after several months of little or no in-

Although an acceleration in the rate of price increases had @ The consumer price index in been widely anticipated by economists, the Reagan Admini- to 260.8 (base 1971) compared stration seemed embarrased by with a 0.5 per cent rise in April

lay's rapid increase. and a 0.9 per cent rise in May Administration officials had 1981, Statistics Canada said. May's rapid increase.



On this basis the annual in-The consumer price index flation rate in the past few months has been described as running at less than 1 per cent. But May's inflation figure compounds into an annual rate of 12.7 per cent.

Mr Larry Speakes, a White House spokesman, noted yesterday that the rate of price increases over the past 12 months was still only 6.7 per cent, compared to a 12-month rate of 11.7 per cent when the Reagan Administration took office.

Because of the exceptional volatility of energy, food and housing prices over the past by 15 per cent between March year. Ms Janet Norwood, commissioner for labour statistics, yesterday pointed to an inflation index which excludes these goods.

Such an index would have increased by 7.8 per cent over the past 12 months, compared to a rate of over 10 per cent in the previous year, she told the Congressional joint economic committee.

Most economic forecasters expect that inflation will average about 6 or 7 per cent in the coming year.

Canada rose 1.4 per cent in May

Costa Rica in plea for aid

WASHINGTON With his country near bankruptcy, Costa Rican President Luis Alerta Monge met U.S. President Ronald Reagan at the White House yesterday as part of a three-day campaign to obtainnew financial backing from the

The two presidents opened their scheduled hour-long meeting by exchanging pledges of

President Monge said he looked forward to making the alliance between Costa Rica and the U.S. stronger. President Reagan said his Administration wanted " to strengthen our relationship with our democratic neighbours."

Outcry at Hinckley verdict

By Our Washington

THE ACQUITTAL of John Hinckley, Jr. the man who shot President Reagan last March, yesterday prompted widespread public demands for changes in U.S. criminal

Mr Hinckley, who admitted shooting President Reagan and three of his aides, was found not guilty on the ground of insanity.

The trial judge had its structed the jury that if there was any reasonable doubt in their minds about Mr Hinckley's sanity, they were bound to acquit him.

The first Reagan Administration official to comment ob. the verdict yesterday was Mr Donald Regan, the Treasury Secretary, who appeared in an early morning television interview. He called the decision "outrageous" and "beyond belief", insisting however, that he was speaking purely in his private

Mr William French Smith, the Attorney General, told a press conference later in the. day, that the time had come reform the insanity defence.

"There must be an end to the doctrine that allows so many persons to commit crimes of violence and then have the door opened to them to return to the society which they have victimised."

Some legal experts maintain, however, that to abolish the insanity defence altogether would be impossible and unconstitutional.

Florida senate vote seals fate of ERA

THE Equal Rights Amendment, designed to give women a constitutional guarantee. against discrimination be-cause of their sex, yesterday appeared to be a piece of dead legislation, reports Reuter. A vote against the legislation by the Florida state senate effectively put the last nail in ERA's coffin.

To become a part of the constitution, the amendment had to be ratified by at least 38 states, three-quarters of of the total 50, by June 30 this year. By 1977, 35 states had ratified it. None has done so since and five states legisChange of guard in U.S. executive suite

try fit the conventional "B" movie stereotype of being faceless business leaders with iced the short term, they expressed water flowing in their veins and considerable concern on governcomputers instead of brains? The Roper Organisation, the New York-based marketing and opinion research company, has just completed a survey of 150 interesting answers.

Mr Burns Roper, who ran the unconventional survey, said that his people planned on things 20 per cent of the business going the way they have. And moguls interviewed did fit the they don't seem to know what conventional public image of the big businessman. He did, however, suggest that the fact that 80 per cent of those going to be in worse trouble approached turned out to be a than we are already." varied, dynamic and indivi- The chief executives had a dualistic lot was extremely good deal of criticism of unions encouraging.

being able to fit in an interview said: "I think in many cases and the remaining third either made excuses or simply ducked out of the study. None of the moguls interviewed were named by Mr Roper because this would conducted for the survey. So what did Mr Roper and his team discover? Basically, the

future, far more so than the U.S. people at large. But in ment deficits, inflation and interest rates, with many expressing the need to reduce

U.S. defence spending. As for President Ronald chief executives of major U.S. Reagan, they basically approved companies for Warburg the direction he had charted for the country, but felt he national investment bank, and should be less dogmatic. One has come up with some pretty executive said: "Reagan's ideas are good, but he has got to bend a little. I don't think he and they don't seem to know what.

to do now. I voted for Reagan,

but I think he has got to be

more flexible, or else we are

The chief executives had a and union regulation but many The Roper Organisation had as much or more criticism approached some of the biggest of management. One said: names in U.S. industry: the "Quality is a case of attitude chairman of Exxon, IBM, Sears and poor quality is manage-Roebuck, Du Pont, Citicorp, ment's fault, don't blame it on General Motors, among others, the workers." Another went on Of the 150 companies contacted to remark: "There have been ("152 to be precise," Mr Roper abuses by organised labour, yes said), about a third of the chief —but greater abuses by executives agreed to be inter management." Yet another research to the chief contact the following viewed, a third appeared to mentioned a concept he felt was have genuine reasons for not "sort of revolutionary." He

Almost without exception, the business leaders regard themselves as "free traders" when have inhibited the interviews it comes to foreign competition. But many inevitably feel that the Japanese are not playing fair because the U.S. allows

top management pays itself too



Paul Betts reports on the view of life from behind a leather-topped desk.

Wall Street ... sees a different breed of mogul

without the Japanese reciprocat-

Most feel the U.S. is unlikely to regain its former preeminence in traditional world manufacturing markets. When chief executives are generally Japanes products into the U.S. it comes to foreign competition,

they say that in the changing at him and said, are you from economy the country's future Harvard and can't count or strength lies in service busi- from Mft and can't read?" nesses, information and the The survey also delved into export of the basic commodity: the private ambitions and nesses, information and the

The survey went on to compare what chief executives think compared to what the general appear to be. Asked what they public thinks on the same issues. For example, of the hours a day to do whatever business leaders polled only they fixed 78 per cent said they 14 per cent campared with would read 55 per cent spend 36 per cent of the public felt more time with the family, 43 u.S. workers do not work as per cent take exercise to play hard as foreign workers. hard as foreign workers.

On the issue of lower U.S. watch television and only 2 per productivity compared with cent would fix things around such countries as Japan and the bouse. The same question-West Germany, it was not sur-prising to find only 8 per cent of the moguls agreeing that o.s. business management is not as what will they do when arey creative and efficient as foreign retire? One said: "I certainly managements compared with don't intend to play golf six days a week." Another said: of per cent. of the chief eactor it want to go wark to serious tives cited union rules as a learn how to play the organ-major reason for lower product build a computer." And a third ivity, compared with 45 per simply said: "The first thing cent of the public.

They also cited less modern of time hugging and squeezing plants in the U.S. (53 per cent)

This lest centiment reflects a

and not sufficient money spent on research and development (41 per cent) as major reasons for lagging U.S. productivity compared with public responses of 34 per cent and 19 per cent said Some chief executives were short on U.S. business schools. the U.S. top executive has One illustrated his point by suffered some inisrepresentasaying: "You know, between supermarket and one day a guy

near manimous view by chief executives on the price is distributed in the price is distributed in the price is distributed in the price It does seem, however, that

tion. One of those interviewed Mit and Harvard, there is a suggested that things were supermarket and one day a guy changing in the executive suite. stood in line pushing a cart. "In the past 10 years I shink containing about 25 items up to I see a changing of the guard an express line with a sign that when it comes to chief execusays eight items or less. As tive officers. There are major he stood there trying to get changes of attitudes in this checked out, the clerk looked newer generation."

This last sentiment reflects a

frustrations of chief execu-tives. Are they really a breed

apart? In some respects they

would do if they had four extra

sports, but none would eat or

naire revealed that 36 per cent

of the public would fix things

Junta in disarray over sanctions Britain to buy rapid-fire

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA'S relations with the EEC have been plunged into unprecedented confusion as a result of the political uncertainties reigning in Buenos

diplomats here are noting with considerable disquiet the wealth of contradictory "official" statements that have greeted the Community's decision to lift its sanctions against Argentina.

"The situation could best be described as a mess and I don't think it's going to get better at least until we know who is the

said one diplomat.

The official news agency Telam said on Monday that Argentina considered the EEC terms for the lifting of sanctions "unacceptable."

Foreign and economy ministry officials were quoted as having decided to maintain Argentina's reciprocal sanc-tions against the Community.

new president and who is the Agriculture had privately trade relations.

Sr David Lacroze, the Argentine Secretary of State for Agriculture, said on Monday that he expected Argentine trade with the EEC to resume normally following the Brussels decision to lift sanctions.

The Telam report appears to strengthened reflect nationalist lobby which is press-However, EEC diplomate said ing for greater protection for British purchase of one yesterday that both the Argen- Argentine industry and a Phalanx gun for \$9.4m. tine Ministries of Trade and restructuring of Argentina's

anti-missile gun from U.S. new economy minister and expressed their interest in WASHINGTON — The U.S. conflict broke out on April 2 what policies they will take," resuming Argentine meat ex- Defence Department said with the Argentine seizure of

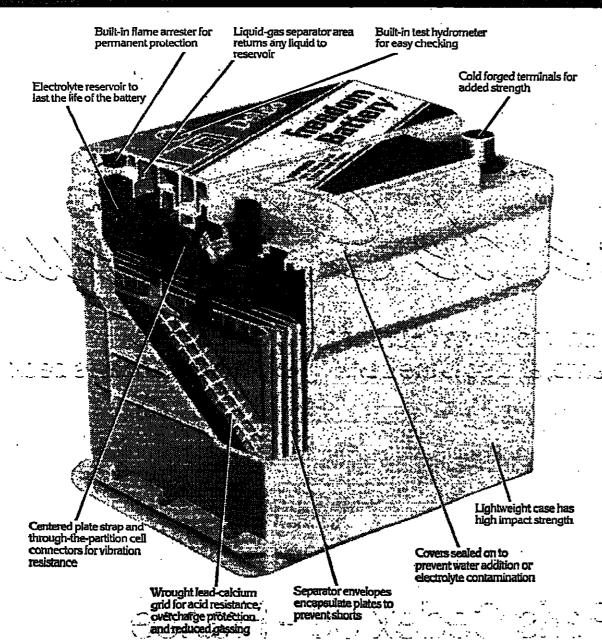
ports to the EEC as soon as yesterday that a rapid fire gun, the islands. which U.S. navy officials say. U.S. Navy officials have said could have prevented the loss the Royal Navy could have desof two British ships to Argent troyed Argentina's Frenchtine missiles, is to be sold to

> · The Department sent Congress a formal notification of plans to sell Britain three Phalanx "close-in weapons systems" with 60,000 rounds of ammunition for \$48m.
>
> The sale follows a previous

made Exocet missiles, credited with the sinking of two British ships, if it had had the Phalanxes available The Phalanx fires 20mm projectiles at the rate of 3,000

rounds a minute U.S. experts say this curtain of fire would be enough to intercept and blow up any attacking Exocet Both orders were placed by hon Britain after the Faiklands AP home.

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tion of electrolyte. No improper stay cleaner.

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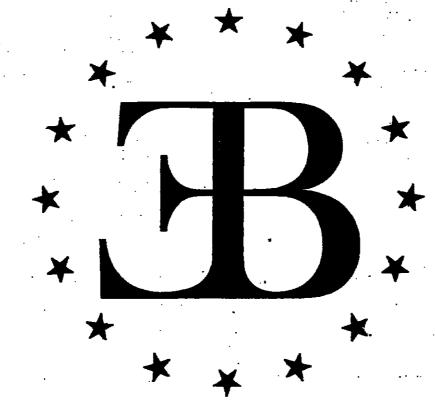


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JUNE 1982



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AEG abandons hope of Soviet pipeline deal

BY KEVIN DONE IN WEST BERLIN

DM 650m (£154.7m) contract to supply 47 U.S.-designed gas turbines to the Soviet Union for the controversial Siberia-to-West Europe natural gas pipe-

Herr Heinz Dürr, AEG chief executive, yesterday told the concern's annual meeting in Berlin that the deal could no longer go ahead with turbines based on technology from the year, have hit only the delivery U.S. General Electric company. for which AEG has held manufacturing licences for more than

The deal had finally been ruled out by the unexpected tightening of U.S. sanctions on the delivery of oil and gas production equipment to the Soviet Union announced at the week-

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THE TOP 500 IN WORLD BANKING

* Commentary-the decline in bank

AEG-TELEFUNKEN has given AEG-Kanis, had been placed in the rotors from Alsthom-Atlanany hope of fulfilling its danger by the U.S. decision.

[650m (£154.7m) contract to The burden of financing the

turbines production was also weighing heavily on the group. The turbines contract had originally been taken last autumn in order to ensure the existence of Kanis's works in have to be considered. Essen and the jobs of its 1,200strong workforce.

announced at the end of last of certain key components such as turbine rotors. In total, 125 gas turbines were ordered by Moscow from three West European groups, AEG, John Brown of the UK and Nuovo Pignone

Herr Dürr made clear yesterday that the latest U.S. measures ruled out delivery of completed turbines. AEG had end.
Herr Dürr said the company's been hoping to get round the subsidiary, earlier sanctions by buying in

tique of France, a GE licensee

in France. The Soviet Union would have to build the pipeline compressor stations with an alternative technology, said Herr Dürr. Other turbine concepts would

He emphasised that the U.S. measures would not stop, how-Hitherto, U.S. sanctions, first ever, the delivery of additional Russian natural gas to Western Europe, a deal that all along has been fully supported by

> "We think it is illogical to push through the gas deal, to buy the gas from the Russians up to the year 2009, but not to be allowed to deliver the com-

The loss of the Russian order would be a serious blow for AEG which is already fighting against the threat of financial

Norway cannot meet

gas demands Norway told the U.S. yestercould raise its North Sea gas deliveries to West Europe in the 1980s as an alternative to

supplies through the controversial Soviet Siberian project, Reuter reports from Mr Vidkunn Hveding, the Energy Minister told Mr Richard Perle, U.S. Deputy

Commerce Minister that a boost in Norwegian supplies in this decade was out of the question, a Ministry spokesman said. The U.S. official saw the

minister to explain U.S. opposition to the Siberian project. Last Friday President Reagan expanded U.S. sanctions against the scheme and Mr Perie said that would-be Soviet customers like West Germany might be able to buy from Norway

Concern in T Italy over U.S. embargo

By Rupert Cornwell in Rome

THE decision by U.S. President Ronald Reagan to extend the embargo on deliveries of high technology to the Soviet Union has aroused deep concern in Rome over the implications for Italy's involvement in the Siberian gas pipeline

The company most directly affected is Nuovo Pignone, a subsidiary of the ENI statecontrolled energy group, which last year won a contract worth up to \$1bn, to supply 19 of the 41 compressor

stations on the pipeline.

Although the bulk of the equipment is Italian, Nuovo Pignone was planning to employ rotors built under licence from the U.S. General Electric Company, and thus falling under the provisions of the new, tighter, regula-

So far, the government in Rome has given no formal reaction to the move by Washington. But it will be a major subject for discussion in the talks this week with Mr Vasil Dinkov, the Soviet Gas Minister, and has further complicated the overall question of Italy's natural gas imports for the rest of this decade.

SNAM, the gas subsidiary of ENI, has long since reached outline agreement with outline agreement with Soyuzgasexport, the Soviet agency, to import up to Sbn cu m of gas from 1985, as part of plans to raise Italy's gas imports by 15bn ca m annually by 1990. But political considerations have so far prevented final ratification of the arrangement.

Further delays in the Soviet scheme may well increase pressure for a speedy conclusion to negotiations between Rome and Algiers for gas via the trans-Mediterranean pipeline, deadlocked only on the issue of price.

Mr Belcacem Nahi, the Algerian Energy Minister, is due in Italy today for further with Italian

European petrochemical overcapacity studied

been studying the problem of overcapacity in Western Europe's loss-making petrochemicals industry—and it could decide to intervene in companies'

Officials in Brussels have begun preparing a paper detailing were involved the amount of overcapacity in The European Council of Chemiplastics and petrochemicals. When it has been completed. petition-are expected to hold talks with leading figures in the petrochemical industry.

Observers do not believe the Commission will produce a master plan for closing down surplus capacity in plastics and petrochemcials. But a restructuring of the industry

deals similar to that announced last week by RP Chemicals and Imperial Chemical Industries in the rationalisation Such deals could run into legal

difficulties - particularly if more than two companies

cal Manufacturers' Federations (Cefic) has now made it clear it will not play a leading role in any restructoring of the industry.

the Belgian-based Solvay and outgoing president of Cefic, has had private talks with Vicomte Industry Commissioner, on rationalising petrochemicals and plastics production.

BY SUE CAMERON, CHEMICALS CORRESPONDENT THE European Commission has

But M. Jacques Solvay, head or

Davignon, EEC

bear." In some cases, there had been "exotic profit-taking" by producers tantamount to "the rape of consumers."

But there was now a surplus

with an eye on gas export potential is Egypt. Dr Mostafa el Ayouty, deputy chairman for el Ayouty, deputy chairman for viewed in Western countries.

exploration and production in Dr Deanne Julius, senior the Egyptian General Petro economist in the bank's econooil industry was being encouraged to step up its exploration and development programme by a new set of gas exploitation rules. Companies have been told that they would be able to export liquefied natural gas once national reserves had guaranteed the supply of \$45bn cu m. This reserve was deemed necessary to cover Egypt's internal gas

Egypt's gas reserves had grown by at least 25 per cent to around 140br cu m over the past couple of years. Such reserves estimates were very conservative he said, "Such a figure will certainly change once the present oil and gas finds are properly valuated in

terms of reserves."

ANDREW FISHER IN LONDON AND FAY GJESTER IN OSLO IN THE busy Norwegian sector placing its vessel with BP of the North Sea, a lone UK Norway. Similarly, Stad has supply vessel — the Seaforth three vessels off the UK. But Seaforth's vessel will Sagz, on charter to BP Norway is at work. In the busier

soon move down to the French offshore area to work for Elf Aquitaine. So after July, there could be no British supply vessels off Norway at all. Of the 60 supply vessels in

UK owners want to bridge troubled waters

Norwegian waters, 57 are Norwegian, with the British, Danish and West Germans having one each. Off the UK, there are 163 vessels-71 47 Norwegian, British. Dutch, 10 West German, 11 U.S. and a sprinkling of others.

In Norway, when oil companies are invited to bid for new exploration licences on the continental shelf, they are reminded that one factor the oil ministry will consider is "the extent to which (applicants) "grotesque imbalance?" have in the past made use of With Norway building far Norwegian goods and services." have in the past made use of When new licences are British companies, or anyone awarded, the ministry tells the company concerned it will be

the UK sector could grow even goods and services more powerful in coming years. these are competitive on price, Supply vessels are the work- quality and delivery dates." horses of the North Sea and phrases express a generally held Norwegian belief that the country's offshore do not just ferry supplies to rigs and platforms. Varying in industry should provide spin-off size and costing between £2m benefits to the rest of the economy. They could explain and £7m to build, they also move and position the anchors

At the moment, the market Norwegian supply ships. Mr Skauge assured Mr the spot market, daily rates can Sproat in Oslo that there were be up to £6,000 for a big no protectionist barriers stop-7-8,000 horsepower anchor ping UK vessels from working handling supply boat. If the in Norway's sector. The wordboat is chartered for a year or ing of the joint statement more, this comes down to emphasised both countries' aim around £4,000. For smaller of keeping their sectors open to ships, the daily spot rate is all flags. Needless to say, several UK

supply vessel owners, not to mention the National Union of from its marketing link with Seamen—over 1,500 UK sea manditiselskaper seldom order Britain Norway's Stad Shipping in farers work on suply boats— supply ships on spec. They years.

· -				<u> </u>
	SUPPLY	VESSELS IN	NORTH SEA	1/2
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iac JK	71	normay.	Netherlands Deni 2	nauk wa dannany 2
vorway Vetherlands	47 15	57		1
Denmark W. Germany	10	1		
anama J.S.	4			
thers	5.			
otal	163	60	26	

Source: Stowert Offsbore Services (position at and-May

were less than happy with the normally secure No one in Norway's offshore activities

competitive than Norwegian ones. Certainly, Norway's shipping industry has a high reputation, while language could be another factor, all Norwegian masters and officers speak few British expected to use Norwegian English, but

skippers know Norwegian need to ha There are over 70 supply on board. vessels being built for Norwegian companies against only 29 for British. To a great extent, this is the result of a tax loophole-Norwegian laws encourage formation of ad hoc tax shelter partnerships known why so many oil companies hire as kommandittselskaper investment in almost anything.

Wealthy Norwegians make much use of this device to escape swingeing income taxes. But on the offshore side, warnings of a looming supply ship glut have had their effect. New partnerships of this kind have been turning to other types of investment like aircraft leasing and cruise vessels. Established Norwegian ship-

apparent outcome of Mr charters in advance Companies Sproat's visit and will be press- like With Withelmsen are earning good profits on offshore

industry is prepared to say UK owners claim that whether UK vessels are more Norwegian rates have underout those of their own yessels. even though operating costs are much the same. But there are no clearcut examples. UK manning requirements can also give the Norwegians an edge, it is claimed, since British ships need to have a few more men

> Even U.S. flag ships have been moving back into the UK sector as conditions in the Gulf of Mexico have worse this is not expected to be a long-term problem.

Basically, most UK owners are arked that their access to Norway is blocked, if not by overt protectionism, then by what seems a more statute discriminatory process.

Norwegian entrepreneurship may provide part of the answer since no one is claiming that Norway's supply operations are of less than top standard. But until the imbalance is at least partly righted, the discontent will continue to shamer in ping companies, unlike the kommandittselskaper seldom order Britain as it has for several

Oil states to abolish customs tariffs

BAHRAIN - Six oil-producing agreed on measures giving their operation Council have decided to abolish customs tariffs on domestic products and to apply freer transit and travel regula-tions from December 1, the official Saudi Press Agency has

British sector, there are as

many as 47 Norwegian ships.

It is a question which UK

supply vessel owners, trade

unions, and the government

would dearly like to have

answered. But the industry is a

hard one to pin down and

UK Shipping Minister, went to

Oslo last week, he was clearly

determined to prise some

explanations from Mr Arne

Skauge, his Norwegian opposite

number. Was there actual pro-

tectionism, and if not, why was

there in Mr Sproat's words such

nore supply vessels than

else for that matter, there is

also a fear that its position in

for such vessels is booming. On

£3,000 or more, with roughly £2,000 for a longer-term hire.

Seaforth Maritime benefited

of rigs in the ocean.

When Mr Iain Sproat, the

answers are elusive.

Why the huge discrepancy?

Finance and Economy Ministers from Saudi Arabia, Kuwait, Bahrain, Oman, Qatar and the United Arab Emirates (UAE), who ended a two-day meeting in the Saudi capital of Rivadh, also the six member states.

states grouped in the Gulf co- citizens freedom of economic activity in agricultural, industrial, contracting and trade sectors.

> Quoting a council official, the agency said that in such ventures the state will have the right to fix a 25 per cent equity participation for its nationals. the usual vehicle documents

Under the travel measures, would suffice for passenger cars or goods trucks being used in

The ministers also agreed on sive. The six are heavy ima sub-committee of customs officials to consider a unified trial goods. tariff for foreign products.

The decisions were made

under an earlier framework economic pact, which aims to achieve economic integration among the six.

It was not clear which national products would be exemptfrom customs dues, which vary from state to state. Apart from oil and products, locally manufactured goods are not exten- Retter

porters of consumer and indus The council, was formed in

May 1981 in response to political upheavals in Iran and Afghanistan. It is also active in boosting security and defence capabilities of the member states, who between them pronon-communist world's oil out-

Many offshore fields said to be unexploited

BY RAY DAFTER, ENERGY EDITOR, IN VENICE

MORE than 800 offshore oil and Dr Wijarso, director general of Mr Marvin Muenzler, mangas fields, are being left oil and gas in the Department ager of economics and planunexploited because of economic of Mines and Energy. Contracts ming for Bechtel Petroleum's or political uncertainties, accord- had been signed which would pipeline facilities division, outing to Mr Peter Gaffney, an double the signs of the country's lined the economic considera-

coveries were off the shores of the additional liquefied natural source of energy and raw lesser developed countries which gas (LNG) would be exported material badly needed fresh energy supplies, said Mr Gaffney, senior partner in Gaffney, Cline and Associates. He was speaking in Venice at the Economics of Additional gas reserves were Natural Gas Development Con-ference sponsored by the Finan-cial Times and consultants, of the 40 geological areas Gensen Associates.

The development of new fields—particularly gas dis-coveries was being frustrated by the oil industry's uncertainties about pricing and securing a reasonable rate of return. Companies preferred large projects to "small, sensible" schemes. Gas development was at a cross roads, said Mr Gaffney. Existing projects already on stream could command a price based on "what the market will

International Gas prices had risen to a level 100 times above rates less than 25 years ago. By comparison, oil was "only" 15 to 17 times more expensive in money of the day terms.

of gas with the potential of major new export supplies particularly from the Middle East. We are gambling in a weak market," said Mr Gaffney. New schemes would have to be con-sidered on the basis of a producers' ability to finance the project, rather than by the alure of high prices. One Middle Eastern country

needs until the year 2000.

leading gas exporters is also Contracts should establish the planning to build up its interprinciple that gas would be national trade, as outlined by treated in the same way as oil

international energy consultant. liquefaction facilities—now 8.6m tions for major industrial pro-About one third of these distincts a year—by 1985. Most of cesses using natural gas as a to Japan, the buyer of Indonesia's existing LNG exports.

But this would not be the end of the story, said Dr Wijarso. thought to contain gas were now being exploited. Ten areas now being exploited. Ten areas Plans for developing a gas had been slightly explored and distribution system in Portu-

18 remained virtually untouched. A team from the World

Bank spoke of the new approach needed for gas projects in developing countries.

M Philippe Boursier, assistant director in the Energy Department, said gas was a unique fuel requiring a continuous link between producers, the transportation and distribution system and customers. The World Bank he said was in an ideal position to act as a coordinator in the formulation of gas projects in developing countries.

It was important to view many of the unexploited offshore fields not as a source of potential exports, but as a supply of fuel and industrial material for individual producing countries.

M Pierre Moulin, petroleum engineer in the bank's energy department, said there was a need to adapt modern technologies for the particular needs technology needed to take account of the need to exploit small fields on cost and pricing assumptions, that might be different from those normally ground in Westers constraints.

leum Corporation, said that the mic advisory department also spoke of the need to look at the gas pricing requirements of developing countries rather than to rely on the "accepted wisdom of experience gained in industrialised countries. Gas pricing policies of the major industrialised nations were more a function of their own historical structures than of the underlying economics of gas in today's energy picture.

Mr Keith Pelmar, a petro As a result of incentives, leum contract specialist in the bank's energy department said that gas exploration in developing countries was being held back because of the lack of explicit contractual and fiscal Potential investors were un-

able to form a judgment about the value of possible gas finds. erms of reserves." As a result, gas prone areas indonesia, one of the world's tended to be under exploited.

Giving U.S. cost and pricing trends Mr Muenzier, showe that only plans producing methonol aluminium chlorine and alkali could be considered profitable in contrast to plans making sponge iron, ammonia,

FINANCIAL TIMES **Natural Gas** Development

gai were detailed by Mr Daniel Burg, deputy general manager of Sofregaz of France. Under these plans, now being studied by the Portuguese Government. up to 2.5bn cu m per year of gas would be supplied to the Western area by the year 2000.

Sergeant J*n*k*n was hit on the head



he lost his reason

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Chemical Bank

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

A MAJOR expansion in the provincial newspaper interests of Reed has an association with Reed International, owners of the company through joint ownership of QB, a printing works at Colchester.

Monopolies and Mergers Commission

Base Company of New York

for Consumer Affairs, gave con-sent for two separate transfers England, South Yorkshire and of ownership to Reed—involv-Teesside.

Secretary of the secret

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CONFEREN

Pagg

operate against the public could produce an adequate

Newspaper takeovers must Berrow's newspaper group from sumer Affairs Correspondent of: News International, subject to the Financial Times. it selling West of England The majority on the com-Newspapers, which it has done mission said it did not believe The commission said in yesof 1979 circulation figures, the Berrow's, Benham and St Regis transfer, "given that it is takeovers will make Reed the second-largest owner in Britain give editors a full measure of of local weekly newspapers. independence."
They will increase the market This argume

Benham owns one evening find on this ground alone that newspaper, six weeklies and Reed is more acceptable than one free distribution news-others," it said.

Move to

Correspondent

strengthen

Monopolies

Commission

Mergers Commission is being

strengthened for the extra work-

load it has undertaken as part

of the programme of "efficiency

Dr Gerard Vaughan, Minister for Consumer Affairs, has made

Neale. There are 21 part-time members of the commission.

increased at the New Year by

of seven investigations this year into the efficiency and costs

These investigations, includ-

ing one into the National Coal

Board, have proved very time-

The commission has additional

of nationalised industries.

consuming.

Its workload was significantly

MONOPOLIES and

of nationalised indus-

St Regis, part of the St Regis tries. rission.

Following publication of the owns one evening newspaper, commission's report yesterday, seven weeklies and three free Dr Gerard Vaughan, Minister distribution newspapers. These an Order enabling the commission's membership to be in-creased from 27 to 32, The commission has a full-time chairman, Sir Godfray Le Quesne, and three part-time chairmen, Mr Jeremy Hardie, Mr John Eccles, and Sir Alan Modle. Three 2021

of ownership to Reed—involving the eight newspapers owned by Benham Newspapers and the 11 of St Regis International.

Two members of the commission signed a note of dissent, stating that the St Regis transfers were allowed, "at least until it had demonstrated to its own satisfication that these investments transfer may be expected to faction that these investments

return. The two dissenting membersusually be referred to the com- of the commission were Mr mission. Last year, following Bernard Owens, former chair-another investigation, Reed was given permission to buy the and Mr David Churchill, Conthe Financial Times.

investigations being carried out under the 1973 Fair Trading The commission said in yes—there was potential detriment to terday's report that, on the basis—the public interest in the St. Act and the 1980 Competition

This argument was rejected share of the top five under- in the note of dissent. Policies takings from 22,1 per cent to and personnel change over time and we consider it unwise to

Recession continues to hurt printing industry

BY OUR INDUSTRIAL CORRESPONDENT

THE printing industry continued to be affected by a low level of economic activity throughout last year, the fered a rapid decline, with British Printing Industries Fed-marked effects on magazine and eration says in its annual

Re-adjustment in the value of currencies reflected a more realistic position, but the worldwide economic recession en-timing recession." sured that this change failed to

"Advertising, which had earlier remained buoyant, sufmarked effects on magazine and periodical printers, says the re-

view.
"Closures, redundancies and sterling in relation to other company reorganisations in all parts of the industry reflected the widespread ill effects of con-

The review says that the free the British printing indus- abolition of time-served apprentry from international competi-tion tion international competi-tion which the federation and the National Graphical Although book printers man-ged to overcome some of the empetition from North Association hope to introduce next year, will have a "profound effect" on requirements for the America, they continued to be hit by the severity of the reces-

Cargo owner fails in plea over arbitration ruling

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

dispute which arose in 1972 over the late delivery of a cargo of corn had made a fair trial im-possible, the Court of Appeal ruled yesterday.

Some of the relevant documents had been destroyed and the recollections of witnesses could not be relied on so long after the event, the court held. An appeal by the cargo owner, cargo owner had to pay addi-Koninklijke Bunge, against a tional import duty, imposed by Commercial Court injunction in October, 1980, stopping it proceeding with the arbitration, was dismissed.

For the second time in recent months, the Appeal Court side-stepped the House of Lords' ruling in Bremer Vulkan that the courts had no power to halt an arbitration because the claimant had not proceeded with it there being a mutual

obligation on both parties to get the arbitration moving. As in the Hannah Blumenthal case in March, the appeal judges yesterday held that an arbitration agreement had been frustrated because delay made

incalculable amount of money, were affected by the frustration

1955

1969

Multitone wins

Queen's Award for exporting

multitone

INORDINATE and inexcusable ruling, the court refused leave delay in taking to arbitration a to appeal to the House of Lords. Lord Denning said that in 1972 a cargo of corn was shipped from New Orleans to Rotterdam on the Argonaut, owned by Neptune Maritime Co,

> Due to engine problems, the vessed arrived at Europort on October 4, 1972, instead of September 30. As a result, the the Dutch authorities from the beginning of October to en courage summer imports of corn Koninklijke claimed reim-bursement of the 140,799 Dutch florins (£29,941) extra duty, contending that the delay was due to the Argonaut's unsea-

> The cargo owner appointed its arbitrator but did nothing more to get the arbitration started until September, 1978, when it revived its claim and gave Neptune 14 days to appoint its arbitrator, in default of which Koninklijke said it would go ahead with its own appointee as single arbitrator.

a fair trial impossible.

Despite a plea by counsel for arbitrator under protest, preKoninklijke, who said that many other cases, involving an the delay. But 14 months later the aribiration had been taken

no further. The delay amounted to eightand-a-half years, said Lord Denning. He said the Bremer Vulkan decision, which had caused everybody "an infinity of trouble," did not stop the court ruling that the contract had been frustrated by that

Councils urged to contract out public services

LÔCAL authorities must consider contracting out more public services to private enterprise, a junior minister said yesterday.

Lord Bellwin, Environment Under-Secretary, said private contractors would give better value for money. "Value for money is, at the end of the day, honey is, at the end of the day, what the argument is all about," he told the Institute of Wastes Management conference at

Scarborough. He said that complete privatisation of local government services was not realistic nor even desitable.

World jobless increasing

THE proportion of the UK pared with the previous three months was only 1.7

labour force which is unemployed remains one of the highest in the world, although unemployment is in-creasing at a faster rate in most major countries.

The seasonally adjusted total of memployed in the UK for June, released yesterday was 2.911m. This is 12.2 per cent of the workforce. The unadjusted figure, in-cluding school leavers, was 3.061m, or 12.8 per cent of the workforce. In May, when the adjusted

total in the UK represented 12 per cent of the workforce, the comparable figures for other countries were: France 10.6 per cent, West Germany 7.7 per cent, the U.S. 9.5 per cent and Japan 2.3 per cent. However, the UK's rate of increase of inemployment in

the three months to May com-

keeping young offenders in young people. closed Borstals was £174 in

THE average weekly cost of both institutions was 5,481

per cent. Of the five major constries only Japan had a slower rate of increase for

the period at 1.1 per cent.
The comparable rates for the

other countries were: France 3.2 per cent, West Germany 9.2 per cent and the U.S. 8

These comparisons do not

take account of the June

figure, which seems to show some acceleration of the un-

employment trend in the UK.

After seasonal adjustment and allowance for distortions,

the underlying rate of in-crease of adult unemploy-ment in the UK in the second

quarter of this year is esti-

mated to have been an average of 30,000 a month.

This compares with an average of 21,000 per month in the first quarter.

Borstal criticised as expensive and ineffective

per cent.

Nacro, in calling for an 1981 compared with £141 the amendment to the Criminal previous year, according to the Justice Bill which began its

viction rates showed that they all, for those leaving detention did not provide an effective centres from 54 to 68 per cent answer to teenage crime, said Ms Vivien Stern, director of

"Over the last five years," she said, "the reconviction

-a massive 14 per cent jump in overall reconviction rates for offenders under 21. "The figures for those under

Delay likely over sale of International Aeradio

By Raymond Snoddy
THE SALE of International Aeradio (IAL), the British Airways subsidiary, is likely to be delayed for several weeks. delayed for several weeks.

The delay stems from the discovery that the articles of association state categorically that in the event of a sale the majority shareholder should give first refusal to the company's "B" shareholders.

RA holds 98 per cent of the BA holds 98 per cent of the shares of IAL. However, the other 2 per cent is held by BA competitors—30 international airlines including Pan American, Qantas, Middle East Air-

lines and British Caledonian.

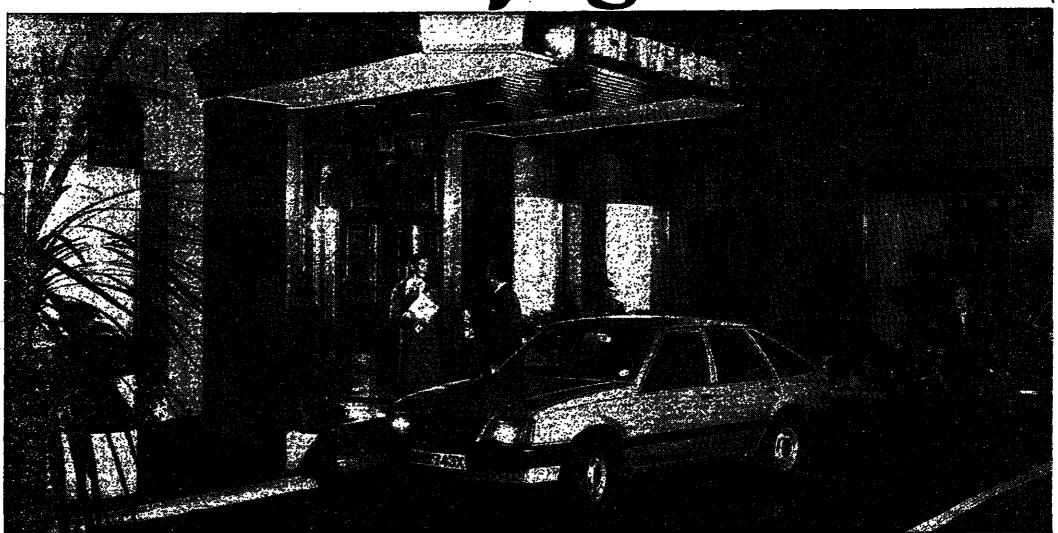
IAL believes that the difficulty will cause only a hiccup in the sale. It is thought unlikely that any of the airlines holding shares would be interested in purchasing the company, which is involved in air-traffic control, airport and hospital management, telecommunications and electronics.

In a month's time, IAL will announce profits of £10m for 1981, compared with £6.6m in 1980. Group sales have risen

by 30 per cent.
Another problem, confirmed by the Government in the House of Commons on Monday, is the generous IAL pention Any prospective buyer would have to protect the staff's

National Association for the committee stages in the House Care and Resettlement of Lords yesterday, said custodial sentences were not rates for young adults leaving 17 are even higher: 76 per cent prison have risen from 64 per of the juveniles leaving detenonly expensive but often in-The cost of prisoners in open cent to 68 per cent, for those tion centres and 83 per cent of Borstals was £200 a week, and the average daily population of effective. effective.

leaving Borstal from 63 to 69 those leaving Borstals are reHigh and increasing reconper cent and, most striking of convicted within two years." People who rent cars don't always go to Avis.



We often go to them. Provided you're within five Smiles or so of an Avis office, we could

save you the trouble of awasted journey.

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U.S. research opportunity at \$40,000 Twenty agree BY GEOFFREY CHARLISH

International of Menlo California, is to open up its industrial automation programme to companies outside

in Stanford University, has revenues exceeding \$150m some yed-rived from over 2.500 pro- Europe. involving over iccis

There are aiready some 30 contributing U.S. participants robot are welding, the other (affiliates) in the SRI auto-automated circuit board mation program, the list in- inspection (not testing). cluding such names as Boeing, Cincinnati Milaeron, Kodak, GE (USA), General Motors, IBM, Proctor and Gamble and Nerox. The programme has been funded for some years by the U.S. Government and cur-rently is receiving \$460,000 over two years from the National Science Foundation.

The U.S. affiliates pay \$30,000 over two years and now non-U.S. companies can take part at \$40,000 over two years, the higher figure taking account of the fact that they do not pay

In London last week, SRJ's robotics department director Dr David Nitzan took the view that both European industry and the SRI programme would benefit from wider participation. He "We have to keep the research level beyond the critical mass "-a reflection of the expense and complexity of modern automation research.

Documentation

Affiliates will be able to-propose automation problems, influencing the direction of the R & D. They will directly benefit from three-day meetings, all the documentation arising from work at Menle Park, three mandays of private consultancy and all the software developed by programme. Affiliates' use

ONE OF America's leading royalty to SRI of two per cent edge research organisations, of the selling price should a commercial developed.

The SRI move. although it may not be particularly good news for European research This 5,000 strong non-profit- organisations, is clearly signifimaking institute, with its roots cant in terms of technology in Straford University, has transfer from the U.S., where consulting practical experience is often some years ahead of that in

> At the same moment, SRI has instituted two new programmes, one covering sensor guided

Robotics

The significance of the first is borne out by the fact that U.S. Army and Navy support amounts to SIm annually while the NSF is funding the second with \$450,000 over three years. Non-U.S. affiliates fees are respectively \$40,000/two years and \$60,000/three years.

In terms of robotics, Nitzan made it clear that SRI was not really in the business of "arms that pick things up and put

them down again."

The overall object he emphaises, is "programmable industrial automation" — with or without arms. It will have three salient features; trainability—the ease with which factory staff can program it; flexibility - its ability to perform a variety of tasks; and intelligence - its ability to perceive unforeseen conditions and act accordingly.

It is the absence of the latter in most systems developed so far claims Nitzan, that makes them quite unable to replace humans in any general way.

The team at Menlo Park is already well into advanced robot programming languages, path control of manipulators and vision techniques using both grey scale and binary the software carries a (black/white) images from developed that will recognise

'CAD PLANNER OF ASSEMBLY SEQUENCE PART-ATTACHMENT

How SRI is modelling programmable assembly. The assembly sequence will be embraced during computer aided design of the product to be manufactured. There, the designer will be able to visualise the individual product parts in the usual way and at the same time optimise the way they attach to each other. A computer program will transform the sequences into assembly operations from engineering analyses fed into it. Finally, a code generator produces machine instructions for assembly execution

ANALYSIS OF

measure parts.

"Structured light" has also been used for 3-D inspection: a "sheet" of light is projected at the object and the irregular lines of light caused by the object's shape and seen by the camera are compared with known models.

These and many other techniques have been applied to a variety of material handling, visual-inspection, assembly and part presentation tasks in real industrial environments.

In the last 18 months however, some fascinating developments have been under way. For example, a computerised has been visual system

solid state cameras to identify. flat parts even when they are trolled bowl feeder that can position, orientate, differentiate touching or overlapping. The look at several kinds of parts, the features of, and even machine remembers hole size, sort them into three channels position data and boundary descriptions which it uses selectively to identify those segments of the part that the

HERARCHICAL

the development of a modular programmable assembly station in which a number of communi- bus. cating devices carry out a com-

camera can see, predicting the

ideatity of the whole.

Puma 600 robot with gripper, station, including the assembly an Auto-Place limited sequence trolled rotary base, a table that such as rocker switches. Curunder servo control, a vision components such as wire and module, and a visually con- cable is under investigation.

out a specific task, thus becoming a building block of an assembly station. Every module is controlled by its own com-Probably the most ambitious puter and the modules are able project in this field though, is to communicate with each to communicate with each other over a 1 MHz Computrol Megalink using a coaxial cable

There have already been some experiments in program-SRI has linked together a mable assembly using this of a mains plug and the placing manipulator with a servo con- of snap-in chassis components can move in X and Y and rotate rently, the handling of flexible

standards on networking

TOGETHER WITH 19 other companies, including Ethernet proponents Xerox, Intel and DEC, Britain's ICL has openly declared support for Euro-pean Computer Manufacturers Association (ECMA) standards for open system local area networks ratified by the Association two weeks ago.

Basic meaning for the user. is that equipment offered by the companies will be freely connectable to any network set up on the new standards. Two aspects ("layers") of

data communication based on International Standards Organisation (ISO) concepts are covered. One, the so called "transport" layer, is the subject of an ISO draft proposai and guarantees end-toend transfer of data over any medium. The other is a new ECMA standard for lower levels (that is, nearer to the user) employing CMSA/CDcarrier sense multiple acces with collision detection.

At these "physical and data link" levels, the ECMA standards are largely compatible with Ethernet so that, in essence, ECMA has endorsed Ethernet-like systems.

Asked if he thought that this flew in the face of broadband (higher data capacity) support developing in the U.S., Robb Wilmot, ICL's managing director said: "It is

He felt it much more important to crystallise the lower capacity base-band approach. He made the point recently offered by Paul Strasman of Xerox, that a base band system could easily be embraced by a broadband network—it would simply become one of the latter's

CNC lathe

OVERSEAS

MOVINGBY MICHAEL GERSON

01-4461300

A NEW bench lathe which is claimed to improve existing available training of operators for computerised numerical controlled lathes is being put on the market by a small West Yorkshire company.

The ORAC bench training lathe, produced by Denford Machine Tools of Brighouse and costing under £4,000, is a complete miniature version of a computerised lathe.

The company claims that unlike miniature training lathes already on the market ORAC can be interfaced with table-top mini-computers such as the Positron 9000.

This, the company argues, allows extended memory and storage facilities which is an aid principally for those doing the teaching.

The computer link also gives the capability of using the lathe remotely — direct numerical control—which is a copy of how full-size lathes can be operated from a central computer.

Denford says that a compe tent student who has completed one year off the job training can be trained to operate a CNC lathe in 20 classroom hours.

The ORAC training lathe has a visual display screen which can request and check the trainee's input. There is also a stereo-audio teaching facility with beadphones. All production cycles can be

automatically transferred to magnetic tape for repeating operations and for checking by

Electronic

rent or buy

AVAILABLE FREE of charge from Livingston Hise London is a 20 page booklet which the

company claims will help potential customers to decide whether

Maxial is aimed at Each of the modules carries hotel management INTERNATIONAL AERADIO, switched to check-out, or some

widely known for its communications and computing systems in the aviation industry, has launched a system called Maxial aimed at hotel administration

Suitable for hotels of 150 rooms or more, Maxial is based on a cinicomputer and can support up to 64 visual display terminals which can operate in any mode required.

Thus, in the front office of the hotel for example, terminals normally used for customer

Other VDUs operate in

restaurant or bar, others will be devoted to reservation work in a back office while printers can produce guest's bills or management reports,

All of these programs can be tailored to suit the individual hotel so that payments and reservations by guests can be recorded in any way the hotel wishes, while back office accounting can be performed by the machine to suit the hotel's existing financial procedures. check-in can at any time be More on 01-843 2411.

Clamp-on ammeter is HEME's first product

A NEW company called HEME angles to a magnetic field and International, set up to exploit a current is passed through it. Hall effect technology and now a voltage appears which is

Known as HEME 1000, it is carrying a current, thereby a clamp-on ammeter which can determining that current measure currents up to 1,000. The instrument has an amps at frequencies from DC to 1.000 Hz, to an accuracy of 1 emploved.

part of the Pilkington Group, related to the field. In the new has brought its first product instrument the effect is used to market in less than six to measure the magnetic field surrounding a power conductor

The instrument has an analogue output provided so that current can be displayed per cent. An LCD display is on an oscilloscope or chart recorder, allowing complex When the plane of a thin waveforms to be seen. More on semiconductor is placed at right 0695 20535.

Robotics vision sensing

LIKELY TO prove useful in able to withstand 10g vision sensing in robotics are two new charge coupled device (CCD) cameras from Fairchild. Applications will also occur in automation in general and

The sensing element is contained in a cylinder of 58 mm diameter and 51 mm length. It is environmentally sealed, of both versions is £2.250.

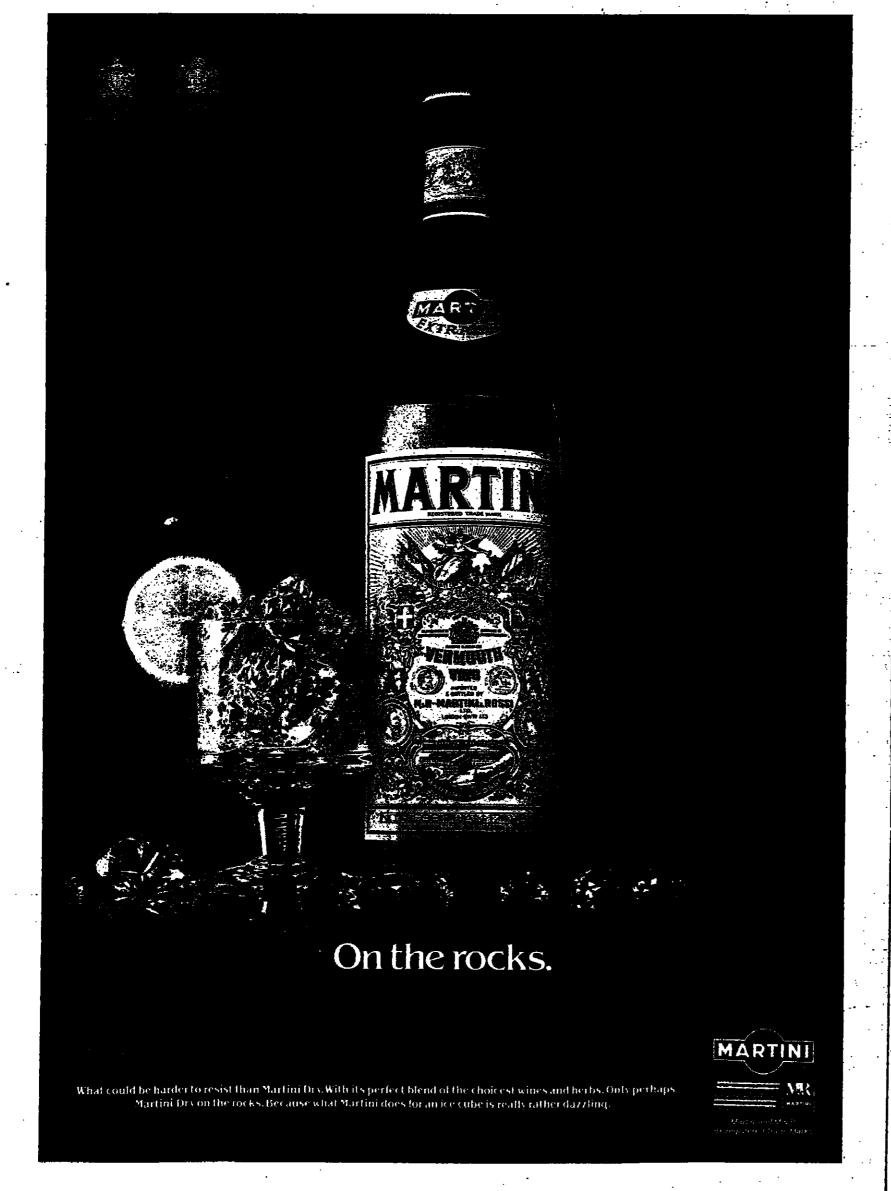
acceleratizon and shock and 2g of vibration to 2,000 Hz. Two versions are offered. One is for high resolution imaging with a composite interlaced video output of 488 lines by 380 points, and the other is

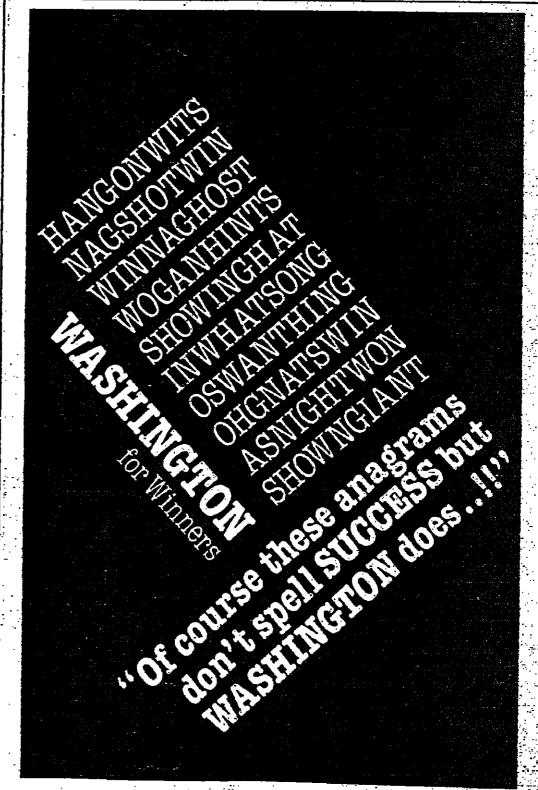
non-interlaced to give 256 x 256 elements. The one-off price

to rent of buy electronic equipineut. Tile beskiet envers objec-

tively of is claimed matters such as economic background, financial arguments, obsolescence, cost of rental; ease and convenience and some graphs that will help the reader to make a decision. There are also several case histories. · Livingston has also announced its emergence into the rental of

high capital cost equipment. Packard spectrum analyser is now on the list, but will obviously, not be available at short notice as lower cost items are. Instead, firm forward reservations will have to be made. a portable infrared viewer from machine for measuring the slip resistance of floors.





Owners await settlement over Falklands ships

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE GOVERNMENT has paid out more than £54m for hire of British merchant ships to accompany the Falklands task force, but their owners still have no idea when they will get them back after the fighting.

gase to the

Only the QE2, Cunard's cruise liner, has returned. It is undergoing a substantial refit in Southampton before sailing again with luxury-class passen-

gers in mid-August. Cunard did not know until the QE2 was well past Ascension Islands that she was returning, thus giving it little time to pre-

pare for the refitting. The main work, which the Government will pay for, will involve the removal of the two helicopter decks and the restora-

tion of the swimming pools.

The QE2 went into drydock at Vosper Shiprepairers, part of British Shipbuilders, at the weekend. Cunard will also spend more than film on refurbishing the inside and outside of the ship. It does not know how much of this cost the

Government will meet.
The QE2, which will start cruising again on August 14. produces revenues of about £1m a week, though its running costs are high. Both Cunard and P & O are worried about loss of business through people having booked elsewhere.

of complicated talks with the Department of Trade, with companies arguing strongly about "consequential losses" resulting from the erosion of their

market positions. such as the 14 tankers, mostly in the British Petroleum fleet, fees were fixed in line with open market rates. But final payments for the requisitioned pas-

1955

Multitone wins

Queens Award

1980

Multitone

£1 million

profits exceed

multitone

for exporting

senger and other vessels could be adjusted, as there is no clear market rate to go on. Some companies may already have

been paid too much.

P & O's cruise flagship, the Canberra, is still with the task force. So is the older Uganda, which is doing hospital duty. The company reckons it will take six weeks to get the Canberra back into cruising

shape. Both ships have been down in the area far longer than the QE2 and have also had helicopter decks fitted. The company will have to launch a major market-

ing drive to sell the Canberra to passengers again.
Altogether, P & O has five ships in service with the task force. The fifth, the Strathewe general cargo ship, is due to

leave Southampton for the Falklands this week. A number of Britain's other leading shipping companies, such as Ocean Transport and Blue Star Line, have had ships

taken for Falklands service. Nearly 50 merchant ships have been involved in all. Among the other Cunard ships were two container carriers. One of these, the Atlantic Conveyor, was destroyed by an Exocet missile. The Government will meet the cost, though it is not known

what figure has been agreed. Compensation is the subject The ship had an insured value of £6.5m, but would cost well over £20m to replace. Cunard, part of the Atlantic Container Line (ACL) con-sortium of European lines, had

arket positions.

already planned before the For the chartered vessels, crisis to replace several older vessest, including the Atlantic Conveyor. It has not decided where to build, but Japan or South Korea appear the most likely choices.

Factory plans cost £22m

By Robin Reeves, Wales Correspondent

A £22m programme to revamp the Treforest industrial estate in South Wales over the next 10 years and provide 500,000 sq ft of new factory space was un-veiled by the Welsh Development Agency yesterday.

The programme involves spending £6m on infrastructure improvements and £16m on factories and modernisation of older premises on the 45-year-

A special 12-acre site is also being reserved for a major in-dustrial project, requiring more than 200,000 sq ft.

The completed modernisation programme will add about 3,000 jobs to the present 6,000.

The estate was founded in The estate was founded in 1937 to create employment opportunities in the depression-hit South Wales mining valleys. During the Second World War it became a popular location for many war-time production projects and by 1944 was employing 17 000

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Sherpa takes to the road again with a slimmed-down image

Freight-Rover's investment is now paying off. John Griffiths reports modified range of Sherpa light commercial vehicles is launched months ago. There has since year's slide in BL vehicles' by Japanese makers' agreement increasing corrosion resistance

today by Freight Rover, BL's van and light truck subsidlary which became part of the Landwork force has been cut by half car-derived vans) fell by 17 per to 1,200 and productivity has cent to 98,700, but Sherpa sales gone up in terms of output per man by nearly a third.

Commercials market (excluding car-derived vans) fell by 17 per cent to 98,700, but Sherpa sales fell by 42 per cent.

Mr Gilroy attributes the noor Rover group at the end of 1980. It includes four-wheel-drive and electric versions and is the and electric versions and is the first fruit of a £30m investment programme which will be com-pleted next year when a new vehicle, the MT 210, will be

This will go up to 3.5 tons gross vehicle weight and will plug the gap between existing Freight Rover products, which have had an upper limit of 2.5 tons, and the trucks of Leyland Vehicles, BL's heavy commercials arm

Today's launch marks the first on the market.

ew product from the company

The new Sherpas, which were

Freight Rover's new and stricter standards, according to Mr Tony productivity and quality drive Gilroy, managing director. A are now starting to show: Sherpa network of 400 dealers is envisales have gone up by 21 per

The dealer network has also performance to two main facbeen reviewed: 80 new dealers tors: a past reputation for poor have been appointed but this is quality and reliability, and ina net gain of only 30, bringing creased penetration of the the total to 350. This reflects sector by Japanese vehicles, the fact that a number of whose share rose last year from dealers were not performing to 16 to 25.6 per cent.

saged after the MT 210 arrives cent so far this year, roughly

been a major overhaul of opera- fortunes. Then, the total light to market prudently — which tions at the Solihull plant. The commercials market (excluding means restricting sales to about 11 per cent.

clear of formal sales incentives.

He says the effects of the in line with growth now being ance and durability — body seen in the sector overall. At panels, for example, are welded new product from the company

The new Sherpas, which were seen in the sector overall. At panels, for example, are welded The vehicles are also claimed taxes) for the basic City is since it was transferred from styled by Ogle Design, are the same time, pressure from vertically rather than horito have the lowest interior £7,630 for the four-wheel-BL's volume car business 19 aimed at further reversing last Japan has been sharply reduced zontally on the new Sherpas, noise level of any light com- and £8,384 for the camper.

Freight Rover's performance is probably better than the bald sales figures suggest, however, as the market has been expanded by two major cut price promotions by Ford for its market leading Transit. Freight Rover so far has steered

Freight Rover's hopes that the new Sherpas will expand on its current 10 per cent market share are based on design changes to improve perform-ance and durability — body

by a claimed factor of 10-and the broadening of the range. Among innovations

panel vans with sliding side-load doors and hatchbackstyle tailgates; a 2.8 gross tons van: high-capacity walk-through and 400 cubic foot capacity Luton vans: four-wheel-drive electric, liquid petroleum gaspowered and leisure camper versions.

The three engine options are 1.7 and 2.0 litre "O" series petrol engines, and an improved version of BL's 1.8 litre diesel. Overdrive is optional on manual four-speed gearboxes. The vehicles are also claimed taxes) for the basic City up to to have the lowest interior £7,630 for the four-wheel-drive

and paint quality is said to have been much improved by a new automated

The four-wheel-drive version is the first from a UK volume manufacturer as a standard

production model. The electric version, developed in conjunction with Lucas Chloride EV Systems, is built on the Sherpa's production line but is more of a "toe in the water" exercise to stay in touch with alternative energy developments. Twenty pilot vehicles have been built, all of which have been sold to selected fleet

operators for detailed appraisal. Prices of the new Sherpas range from £4,433 (including

Canned French wines to go on sale

tan's wines and spirits division, is to introduce canned wines to UK shops in the summer, in an attempt to tap a convenience

or white French wine will cost a recommended 78p. IDV has box. Each can contains the reached marketing agreements equivalent of two glasses of confident that the company will with several large chains, wine.

The containers of the light squeeze on including Associated Dairles Distributors' trading margins canned beer prices by superand Littlewoods. It is holding on the present price are an market buyers with their vast talks with J. Sainsbury and estimated 15-20 per cent. IDV purchasing power.

INTERNATIONAL Distillers wants to sell in duty-free shops and Vintners, Grand Metropoliand the airline markets. believes that its approach will expand the overall wine market

UK shops in the summer, in an attempt to tap a convenience have a shelf-life of at least six specialist wine shippers is market.

Each 25-centilitre can of red convenience been negotiating a common in the Community's affairs," he ther environmental regulation market cans under the brand approach to industrial develops and in Cambridge.

EEC member states have assessment the status it merits opposed to "any nint of interpretation opposed to industrial develops and in the Community's affairs," he therefore a province in the community opposed to interpretation opposed to industrial develops and in the Community's affairs," he there environmental regulation opposed to industrial develops and in the Community's affairs, and i

The two-piece aluminium and is alming its promotional cans will be produced by Metal literature at younger drinkers. Box. IDV says the wine will Norton and Langridge, IDV's

Government attacked over EEC stand

GOVERNMENT opposition to terday that a common EEC member of the European En-EEC proposals on environment approach to the environment vironmental Bureau, a coalition tal protection has been criticised was crucial. "A Community of conservation bodies, said by the Council for the Pro- wide directive on the matter the departments of Energy, In-

Mr Giles Shaw, a junior environment minister, will tell has provided a means of en- said the proposed directive the EEC tomorrow that a proposed directive is unacceptable. for Britain alone. Hence the mandatory nature did not match Mr Robin Grove-White, need for European action." director of the CPRE, said yes-

country, our planning system Mr Grove-White, the British procedures.

tection of Rural England. would give environmental dustry and Agriculture were EEC member states have assessment the status it merits opposed to "any bint of fur-

The Environment Department vironmental assessment—but was unacceptable because its British development control



Fortoday's schoolchildren, part of the classroom furniture as desks or wall charts. Now a Govern- office work. ment programme aims to ensure every school in Britain has at least one microcomputer. At home, too, more and more

children are using computers as a natural every day part of their lives. It all means that our children already have at their fingertips far more sophisticated and efficient technology than you're likely to findin 90% of the offices in Britain.

If that doesn't make you sit up and think, it should.

In offices, just as in factories, the application of Information Technology is going to revolutionise the businesses that adopt it.

Office systems don't simply computers are becoming as much a increase productivity; they remove much of the repetitious tedium of

Desk-top computers will soon link every office, from Chief Executive's down, to provide a communications system so efficient that it makes the telephone look like semaphore.

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those implications are being transformed into facts of business life.

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THERE'S NO FUTURE WITHOUT IT.

Rolls-Royce looks to outside suppliers

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

outside suppliers during the a falling market.

This is part of a major campaign by the State-owned aeroengine manufacturer to improve its productivity at a time when it is facing increasing worldwide competition for future orders.

Rolls-Royce wants to achieve economies by cashing in on the flexibility of production that can be achieved by smaller businesses which also work for other companies. At the same time the company is streamlining its own production techniques.

The initiative is revealed in a report published yesterday by the House of Commons Indusand Trade Committee. which welcomed the company's plan to achieve profitability next year and said that further productivity improvements were

THOUSANDS of parts for Rolls- per cent between 1978 and About 77,000 parts are used Royce aero-engines which have 1980, when the company's busi- to make a Rolls-Royce aero-

ROLLS-ROYCE Motors is to

put 2,000 production workers

because of a fall in sales in

its two major markets,

From July 19 the factory at

Crewe will work only four

days a week, reducing output by roughly 20 per cent to

decided to operate short-time

working rather than institute

redundancy programme hecause "the underlying

demand for our cars is strong

The company said it had

around 60 cars a week.

Britain and the U.S.

short-time working

traditionally been made by the ness was expanding rapidly, but engine and until last year 27,000 company in its own factories more recently it has found it of these were made within the Royce is off-loading, smaller are to be bought from smaller difficult to maintain progress in company. The target is to reduce items to smaller companies

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

meet the upturn in sales when

In January this year Rolls

forecast that its total produc-

tion and sales for 1982 would

improve by between 5 and 7

per cent to around 3,500 cars

and that the extra output

would mainly be for North

But retail sales in the U.S.

by early June had reached

only 342 compared with 460

for the same period in 1981.

registrations

dropped from 666 to 417, or

In Britain at the end of May

economic

improves."

America.

Rolls

this figure to 20,000 by the end which are much more capable of

situation

end of 1984. "What we are doing in Rolls-

Car workers put on short time

37 per cent compared with a decline of 2.8 per cent in total

new car sales Rolls would not give details yesterday of its new forecast for production this year. Output was being brought into line with demand by shorttime working for at least two months, and was not being changed to meet new sales forecasts, the spokesman

Rolls, which is a subsidiary of the Vickers engineering group, built and sold 3.175 cars last year, 1,200 of which

of this year and 10,000 by the doing the threes, fours, fives and so on of the various things we have got than in a big organisation like Rolls-Royce. Lord McFadzean, the company's

chairman, told the committee. "In doing this, we will be able to reduce very considerably the large manufacturing infrastructure that is an inevitable consequence of producing very large numbers of parts of that

At the same time the number of factory inspectors is being reduced from a ratio of one to about three manual workers to one in 10. This will contribute the company's substantial redundancies; last year its labour force was reduced by about 6.000

The select committee esses concern about the lack of parliamentary control over expenditure on major projects. Parliamentary approval should be required at the outset, House of Commons sixth re

port from the Industry and Trade Committee session 1981-82. Rolls-Royce Ltd. SO, £7.

Rise in De Lorean sales strengthens rescue hopes

BY IOHN GRIFFITHS

SALES of De Lorean sports cars are expected to reach 300 this month, far below the 1,700 month prediction at the launch last year.

But the number is well above the May figure of 236 and nearly double the 157 of April-in the immediate weeks after the receivers moved into the Belfast

strengthened optimism among Belfast on Monday that he was posals receivers, suppliers and credi "reasonably optimistic" about The tors that a rescue by an as-yet a rescue. unnamed UK consortium will go

Representatives of the trade said there was mounting confi- financing for an initial £10m creditors, numbering more than dence that agreement would be cost of acquiring the plant on a 200 and who are owed a total of reached by the end of this lease or mortegeg basis and more than £40m, yesterday month. The creditors' commit-resuming production. echoed the sentiments of joint tee has given full backing to

being examined by two City Mr John Putt, chairman of finance houses. It is understood the trade creditors' committee, to have already secured partial

However, Sir Kenneth's rates.

The pick-up in sales has receiver Sir Kenneth Cork in the consortium's rescue pro- remarks that production in the closed plant may restart in autumn with a workforce of between 1,000 and 1,500 raise questions about the consertium's plans.

There are still about 3,500

cars unsold in the U.S. and at the Belfast plant, which is a year's supply at current sales

Period of self-doubt

-Lawson

is over

By Peter Riddell, Political Editor THE TEST of national will of the Falklands crisis signalled clearly that "the long years of retreat and self doubt" are over, Mr Nigel Lawson, Energy Secretary, said last night.

Delivering the first lecture in memory of the late Patrick Huther in the City, Mr Lawson claimed that the psychological and moral climate in Britain had begun to change.

"Defeatism is now in the retreat, inflation is now at last under control and the trade union problem has become less fearsome. There is a new attitude on both sides of industry, resulting in an un-paralleled improvement in productivity and efficiency."

Mr Lawson claimed: "The tide has turned: and it was at that very turning point that history presented us with a momentous challenge of the Falklands, with all that so triumphantly ensued. The profound importance of this event cannot be over-empha-

It was more than a remarkable military victory which exorcised the ghost of Suez; it was a test of political and

national will,
"Nothing could have sig-nalled more clearly that the long years of retreat and selfdoubt were over. A new selfrespect, a new self-confidence and a new sense of pride in ourselves has been born. It is the rebirth of Britain."

Year's GDP rise estimated at 0.5%

BY MAX WILKINSON, ECONOMICS GORRESPONDENT

duct published yesterday.

rise between the two quarters.

rived from different sources,

rarely come to the same total.

Recently there have been some

quite wide discrepancies be-tween the output-based and

THE WEAK economic recovery 105.7 in the final quarter of which began last year faltered. 1981. in the first three months of this Because of the civil servants' year, according to official esti- strike last year, no average

mates for gross domestic pro- estimate is available for the second and third quarters. How-The figures show that the ever, it is reckoned that GDP estimate of national output fell in the first quarter of this year marginally compared with the was about 0.5 per cent higher fourth quarter of last year, than a year earlier. However, estimates for total At current market

At current market prices national expenditure and total "money GDP" rose by 2 per national income show a small cent between the fourth quarter of 1981 and the first quarter of In theory all the three 1982. The rise over the full measurements of GDP should year to the first quarter of this be the same but the figures, de-year was 10 per cent.

Real income for the country as a whole, as measured by real national disposable income, in the six months to the end of March was about the same as the level a year earlier.

income-based estimates for The average of the three pames continued to reduce measures suggests that the stocks in the first quarter of index of GDP of the first this year but at a much slower quarter of the year was 105.8 rate than in the earlier part of 1975 = 1000 (1975=100) compared with 1981.

2 - E 2	G	ROSS DOMESTIC PRODUCT	
•		Index 1975=100	e
	in the first section of the section	Income Expenditure data	Output data
1979		108.9 111.4 106.7 708.9	107.4
1981		105.6 105.6 — (105) — (106)	1944 .1044 .1046
1982	4th 7st	105.4 106.7 105.7 107.0	105.0 104.8

Data is still incomplete as a result of civil servants' strike in 1981.

EFFECT OF TORNADO AND

Nott foresees forum for debate on lessons of the Falklands in White Paper

THE long-awaited White Paper defence estimates will yesterday, stresses that the Soviet Union and her remain the main threat to the security of Britain.

The White Paper confirms that that Government is com-mitted to the major defence review carried out last year. · However the only references

to the Falkland crisis are in a brief foreward by Mr John Nott, the Minister of Defence. Mr Nott praises the "professionalism, preparedness and flexibility of British defence efforts in the Falklands. The British response, he says. showed that its force structure --is "adaptable enough to permit an effective and timely response to developments both within and outside the Nato area "; with the

problem.

important factor.

durability.

Gulf in mind, the alliance is pay-

The right vehicle at the right

cost. When you are operating a

are looking for is only half the

is right the vehicle isn't. And the

total cost of operation is some-

thing you can't always predict, when reliability is such an

through its paces by a stunt

driver, in a series of unortho-

ramp at speeds up to 50 mph

anditemergedintact, dramatic

proof of its basic strength and

Vertical body seams and a

Altogether the new Sherpa

new cathodic electrocoat paint

treatment are a part of a 16

embodies over twenty five

stage anti-conosion process.

dox but punishing tests.

The new Sherpa was put

It was driven off a three foot

Too often when the price

van fleet, knowing what you

on Defence, issued in London a useful starting point for discussions on the lessons of the Fattand erisis. A full study is necessary before the Government can take "reasoned and considered decisions on what adjustments need to be made,"

> of the preceding year and of the programmes and activities in progress in the period leading up to March when the final basis of this document was

ing increasing attention to out- moves to this end include funda-Mr Nott suggests that the the country's strategic nuclear

ment is presented to Parliament as a description of events

Soviet readiness to use military Poland means that Western armoured divisions with 300 governments must strengthen extra tanks. their collective defences. British mental decisions to modernise parliamentary debates on the deterrent and to strengthen and we believe they are wrong,"

"In the meantime, the state-

The White Paper argues that in Afghanistan and David Tonge studies details of the Government's strategy for national security

FORCES: nuclear deterrent by spending £7.5bn, the current forecast, on the Trident II (D5).

STRATEGIC NUCLEAR

Possession of "an independent invulnerable strategic deterrent" will reduce the chance of Soviet attack.

It does not suggest that a UK deterrent is a substitute for the U.S. nuclear guarantee, but the Warsaw Pact is more likely to be deterred by a second, submarine-launched ballistic missile force than by Britain spending say, two additional "We acknowledge the sin-cerity of those who criticise this

reshape" conventional forces. says the decument. It traces developments in Trident since it was announced The White Paper justifies the on July 15 1980 that Britain decision to modernise Britain's would replace its existing Polaris system with the Trident I (C4) missile deployed in new British-built submarines.

> New sonars are being developed, while each submarine will have torpedo tubes for self defence. The Ministry also has decided that the Trident force will have a new reactor and propulsion system, the PWR 2 (pressurised water reactor 2), rather than the PWR 1 being installed in the current generation of nuclear submarines.

"Given the resulting increase in operational availability of our boats, we have concluded that it would no longer be sensible decision on moral grounds, or to consider having a five-boat who argue for an alternative force, despite the increased insurance against accidental loss of resources. Nevertheless, on damage which this would

planning for a four-boat force." The paper repeats the arguments for the British decision to build a submarine of the size of the new and large Ohio class design rather than the 640-class submarine carrying

the Poseidon and Trident 1 (C4)

It stresses the disadvantages which would arise when the US withdraws its last Trident C4 missiles in the late 1990s, leaving Britain as the sole operator of that system.

The new generation of submarine will each have 16 tubes, though the Ministry says this does not mean that Britain will deploy the maximum possible number of warheads. The original baseline estimate

for developing the Trident C4 force was £5,125m. Present costs are forecast at £7,500m. The increases are due to the cost of providing targer submarines (£475m), the D5 missile system, (£390m), exchange rate changes (£710m) and inflation (£800m). However, the White Paper

programme will take up some 3 per cent of the total defence budget in the years it is being introduced—less than Tornado all-weather fighter. The White Paper says that the Chevaline development programme, devised to keep the

Polaris force effective until Trident enters service, essentially complete." It says test firings off Cape Canaveral, earlier this year, were successful and the system will enter operational service soon. It also confirms that Britain is spending £300m to fit new motors to Polaris missiles. The White Paper stresses the vital contribution which british conventional forces make on the Central Front in

the United Kingdom base." Government's first. priority in 1979 had been to bring all three services up to strength. It claims it has cut wastage in the Royal Navy from 7 to 3 per cent, has overcome a 10 per cent shortage of trained. Force. men in the army, and has cut Air Force from 5 to 1 per cent. major contribution to The White Paper says the Government has increased the share of the defence budget going to procureent of equip—
The paper stresses that the ment. This accounts for half escalating real cost of defence

provide. We are therefore the total defence budget. Older equipment types are being phased out, in line with the Government's aim of enhancing the "hitting and staying power " of Britain's forces. The White Paper makes no

allowance for ships lost in the It says HMS Falklands.

Government's decision to have a smaller surface fleet. It des-

friends' security in parts of the world outside the NATO area. illustrated by the Argentine invasion · the Islands and South Georgia. It explains the three levels

be brought to bear to protect Britain's essential interests world-wide: assistance friendly states, peacetime. strategically deployments to important areas and, in the last

deterrent or defensive purposes. "We are pressing ahead with the improvements to our intervention capability which we outlined in last year's state-ment," it writes.

Europe, in the Eastern Atlantic and Channel, and in defence of

"The ingenuity and sheer applications for premature hard work put in by Industry voluntary release in the Royal at very short notice made a success of our operations in the South Atlantic," it argues. DEFENCE PROCUREMENT

Invincible will still be handed over to Australia. However, it underlines the importance of increasing the size of the nuclear-powered submarine force as rapidly as resources will permit. The paper supports the

being provided for the British Army and adds that the Government has concentrated on the "neglected area," of Britain's air defences. The new Nimrod early-warning aircraft should enter service next year. The paper also stresses that the West needs to be aware of threats to its own and its

at which defence resources can

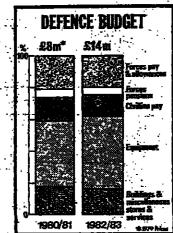
intervention

The Territorial Army, it goes on, makes a key contribution to the defence of the home base and the reinforcement of the British Army of the Rhine. It welcomes the support of civil resources to Britain's defence effort, shown in the Falklands crisis. The conversion of merchant shipping to meet military requirements was a vital part of the efforts which went into assembling the Task

Tornado AS % OF DEPENCE BUDGE 8 9 10 17 12 13 14 15 DEFENCE INVESTMENT DECISIONS 1981-82

Harrier GR 5 (AV8B) offensive support aircraft New heavyweight torpedo
Improvement of main battle tanks, including thersail imaging
Tracked Rapier (Mark 1) Ainny Air Defence system
New tracker for Sea Wolf shipborne point defence missile system. Satellite communications Skynet IV

Battlefield Artillery Target Engagement System (BATES)



equipment is one of the greatest problems the Government faces in managing defence.

The steady growth in the real cost of equipment is not, of course, a new phenomenon. During recent years, however, it has become particularly alarming as the frontiers of advanced technology have been extended. ... The new Type 22 Frigate, is three times as expensive in real terms as the Leander.

The Harrier aircraft is four DEFENCE PROCUREMENT times the cost of the Hunter; The paper stresses that the and a new artillery shell is double the price of its prede significant cost growth."

PROCUREMENT PROGRAMME RODUCTION

"The extent of this cost escalation is difficult to calculate with precision. Examination of procurement records over recent years suggests an average annual figure, over and above inflation, of 6 per cent to 10 per cent on capital production costs of major equipments. With others (notably successive classes of nuclear submarines) real cost growth has been very the defence equipment budget has proved to be liable to

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Railways board 'needs clear policy for future? BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

THE COMMONS Select Committee on Transport has called on recommends that the Treasury Government to produce a following the findings of the official Serpell inquiry which is

The White Paper should contain a charification of the Government's intentions towards the railways and provide the British Railways Board with clear financial and operational guidelines for the main sectors of the business.

The all-party committee ... fargues that this is essential in providing the scenario for the long-term planning decisions that need to be made. The report of the Transport Committee into the roads pro-

gramme and transport aspects of the 1982 Public Expenditure White Paper also makes recommendations with regard to trunk roads programme, in the light of possible underspending ture. It

and the Department of Transport investigate developing a system to allow the Department greater flexibility in allocating cash provision for the programme between one The committee says that in

the two years since it was first examined. little examined, little progress appears to have been made in developing carry-over mechanism which would permit the amount underspent to be used in the following year. In its conclusions, the Committee says there is no evidence ` to suggest that transport needs are being unfairly treated

It notes, however, that the present level of investment is less than that needed in the longer term to achieve the objective of renewal, modernispending on the motorway and sation and extension of the country's transport infrastruc-

Investor protection rule proposals 'too radical'

BY JOHN MOORE, CITY CORRESPONDENT

The association was in broad of up-to-date regulation in some areas of protection of investors' interests, "and it is clear that thought needs to be given as to where the regulation is needed. and whether the regulation that is required should be selfadministered or statutory."

of investor protection prepared by Prof Jim Gower, adviser on company law to the Department of Trade. His report was pre the Council for the Securities pared for the Trade Department Industry, the City's main selfinvestment companies last year. to act as such a body.

THE Issuing Houses Association clearing banks, which are has said that proposals for engaged in the business of corsweeping reforms in the regulations governing investor protections governing investor protections governing investor protections which investigations which tion are "too radical and far banks and institutions which carry on corporate finance business and which have qualified agreement that there was a lack for the status of exempted dealer

Regulation

The association thinks the area for new regulation is in investment management, which It was responding to a review could involve establishment by practitioners of some self-regulating body or bodies. The association does not see

after failure of a number of regulatory body, as apropriate The membership of the Issu- But it believes that there is

ing Houses Association includes a use for the council in repreall 16 members of the Accept senting the views of the securing Houses Committee, various ties business generally, for subsidiary companies of London example to Government.

UK NEWS - LABOUR

Action likely over Snowdown pit

BY JOHN LLOYD AND SUE CAMERON

A SLIM CHANCE of averting industrial disruption in the coal compared with the National if the board does not back rail strike the NCB lost sales are the NCB lost sales. industrial disruption in the coal industry emerged yesterday as it became clear that its manage. ment unions had asked for the issue of Snowdown Colliery. Kent, where production is due to end, to be referred to national disputes procedure.

June 23 1982

103.9 25.5

105; 136.7 136.7

TAKE TOWER IN 1881

line.

The issue has been referred by the National Association of Colliery Overmen, Deputies and Shotfirers, supported by the British Association of Colliery Management

Management.
Both are expected to argue for retention of one of the three faces now being worked, while work proceeds on driveages to

compared with the National Coal Board's plan to reduce manning to 200 for driveage work only.

Mr Norman Siddali, the new NCB chairman, said vesterday that he hoped the reference would be supported by all mining unions.
But the National Union of

Its executive threatened industrial action earlier this month if the NCB did not withthreatened draw its plans for Snowdon. It will raise the issue at a meeting with the board planned

comment yesterday — has oil if coal supplies were dis-stressed that closure of any pit rupted by a rail strike. except on grounds of complete exhaustion will be vigorously resisted.

Mr Siddall said that there new capacity should encourage everyone in the industry to work together.
Mr Siddall warned of the

fresh coal reserves.

for tomorrow, and decide on damage that a rail strike
This would cut the number of industrial action at its pre- do to the coal industry. damage that a rail strike could

down.

But Mr Siddall said that what
Mr Arthur Scargill. NUM the board "feared most" was president-not available for that customers would switch to

The substitution of oil for coal meant the NCB lost sales it could never recover, even after a rail strike was over. Mineworkers is unlikely to was no such thing as complete Disruption in supplies would participate in the procedure. exhaustion. "I have never discourge potential customers seen a pit without a piece of who were thinking of investing coal left in it." But opening of in new equipment so that they could burn coal instead of oil. Mr Siddall, who said a "large proportion" of coal was transported by rail, added that NCB exports would be hit if supplies

'fight to finish' BY BRIAN GROOM, LABOUR STAFF

> Trades Confederation, yester-day threatened "a fight to the if British Corporation attempts to close another major plant. He implied that the union would mount a national

MR BILL SIRS, general-secretary of the Iron and Steel

The state-owned steelmaker is reviewing its configuration of plants because of a sharp fall in orders. A decision is

expected in a few weeks.
In addition, Mr Ian
MacGregor, BSC chairman,
has warned that the 100,000 workforce, may have to come down to 75,000, perhaps within two years.

Mr Sirs told the ISTC con-

ference at Douglas, Isle of Man, that if plants at Port Talbot, Llanwern, Ravens-Scunthorpe craig, Sheffield were under threat then the dye is cast. We must pick up the gauntlet." He added: "We have got

to forget about severence pay and be as tough as we were in 1980, and show we will fight to the finish." Two years ago, steelworkers

struck for 13 weeks—but over pay, not redundancies. More than 129,000 jobs have gone since 1973, three-fifths in the last two years, but without

By Our Labour Staff

It is the second time they have

turned down the Council's offer

which includes an extra day's

holiday. They are claiming an

11.2 per cent rise, and a one

hour cut in their 37-hour week.

The main union involved, the

National and Local Government

Officers' Association, said last

night that they would be con-sulting with their branches on

what action to take to further

against plant closures

Steel union warns of

major industrial action over 'You have gone so far and where a major plant is concerned you go no further. It

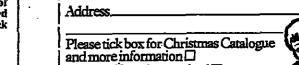
is a fight from now to the finish if they want to try to close any of those plants. That's my stand. Don't let me down," Mr Sirs said. Some ISTC leaders believe

the Government would not risk the "political suicide" of sanctioning another major steel closure. However, they fear another round of mili closures, privatisation of jobs and stringent productivity measures and redundancies. Several delegates pointed

out the difficulties of reversing previous disunity over closures. Workers in the plants which remained open have often been unwilling to take action in support of those faced with closure. Others have been willing to take enhanced severance

payments and to go. A fight on closures will involve support from miners and railwaymen in the "triple

The conference later passed a vote of "no confidence" in Mr MacGregor's handling of industrial relations, and voted for a campaign to win back jobs lost to contractors.



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Kevin will have to leave school when

Unfortunately, if he can't get the extra

Matthew does. If he can't read by then it's

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FREEPOST, London WC11AA.

because he finds learning twice as difficult.

education he so desperately needs, he'll just

have to take it like an adult. Not easy when

harhevis 18 Kevin's 18

m Linversity

heseoing

Strike may hit Tube again today

By David Goodhart, Labour Staff THE LONDON Underground today faces its third consecutive day of almost total shut-

The system was brought to a halt again resterday following the decision of the Assoclated Society of Locomotive Engineers and Firemen to pull out 2,000 drivers on "indefinite" strike over service cuts, and the refusal of the 14,000 National Union of Railwaymen memhers operate new timetables.

Only the Victoria and Jubilee lines ran near-normal services.

The NUR met London Transport management yester-day morning, but they only discussed pay. No meeting on the cuts in peak-hour services has yet been arranged but LT says it has written to the unions explaining its position on the cuts.

The unions are still adamant that the new timetables -which amount to a 4 per cent cut in services-will not be implemented. It is still possible that the NUR will join Aslef in an all-out Strike

over the cuts. About 30 signal technicians who were suspended last Friday for refusing to prepare the timetables have now been reinstated following an NUR threat to go for an all-out strike. But both sides still seemed a long way apart

Engineering workers replace top official at TUC council

BY OUR LABOUR EDITOR

MR GAVIN LAIRD, general secretary elect of the Amalga-mated Union of Engineering Workers, is to lose his seat on the TUC general council,

After a long and closely argued debate, the AUEW's executive committee yesterday decided to nominate as its three representatives on the council: Mr Terry Duffy, union president, Mr Gerry Russell, executive council member for Merseyside, and Mr Ed Scrivens. executive council member for Sheffield.

Mr Ken Cure, the member for West Midlands, will be nominated for the Labour Party's national executive committee, in place of Mr Russell.

The move is a momentous one for the union because it effectively downgrades Mr Laird, leaving Mr Duffy as unquestioned leader of the union. In recent years, the union had been run under the dual



AUEW chief Gavin Laird

John Boyd, the retiring general secretary, who was a general council member.

It also deprives the general

However, executive members argued that until Sir John's period of office union tradi-

tion has been that the general secretary was not a zeneral council member and that their decision merely reverts to that tradition But for Mr Laird it means

most able and hard working in

Mr Laird has served on a

number of public sector boards.

ncluding that of the British

National Oil Corporation and is

seen as a high flier-a reputa-

tion which has attracted its

the union movement.

share of suspicion.

that the general council seat he held as executive council memher for Scotland must now be reiinauished. These changes bear little

implication of a swing in political position, since all those nominated for general council are right-wingers, as is Mr council of an official widely Laird. Mr Russell takes a leadership of Mr Duffy and Sir acknowledged to be among the centrist position on most issues,

Print works action threatens Irish paper

THE TRISH Independent newsaction unless the company closure of a contract printing subsidiary in England, according to the National Graphical

Milton Keynes Web Offset,

the largest contract printers in the possibility of industrial has announced that it is to magazines changes its mind over the 80 printing jobs. Clients, which they move their work away. include Baptist Times, Catholic

paper in Dublin is faced with the Buckinghamshire new town this time." The newspapers and close with the loss of more than threatened with "blacking" if

The union believes the com-Herald, Soviet Weekly and pany's order books are full West Indian World, have been enough to make Milton Reynes asked to find other printers. Web Offset viable and have what action The NGA has decided "to offered cost savings measures. their claim.

|Employers back Water workers reject 7% offer Tebbit Bill

DR JAMES MCFARLANE Director General of the En-THE POSSIBILITY of industrial gineering Employers Federaaction by 30,000 white-collar staff in the water industry drew tion, has backed the Government's intention to get the Employment Bill on to the closer last night after they rejected a 7 per cent pay offer from the National Water. statute book as quickly as

Despite the EEF's criticism of a number of the Bill's clauses, Dr McFarlane - writing in the latest issue of EEF News welcomes the legislation "which will promote greater union responsibility

The Government resisted EEF pressure to include a clause in the Bill giving employers the right to lay-off workers at one week's notice in the event of industrial action by workers elsewhere effecting production.

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Foot plea for arms sales curb rejected by Thatcher

BY JOHN HUNT, PARLIAMENTARY CORRESPONDEN

ON THE EVE of her departure and it must be verifiable." yesterday to the special United Mrs Thatcher was the centre of would be on conventional disa furious row in the Commons armament. He pointed out that over the continued sale of on Monday the Defence Equip-British arms to South American ment Exhibition had opened at countries and other Third Aldershot and that on previous World nations.

she rejected repeated demands

Shouting to make herself and that each order was viewed heard above the noise from the on its merits. Labour benches, the Prime Minister declared: "Weakness other nations would go to the should "look at the facts." He has been the cause of as many Soviet Union for their arms if said it was the Labour Governwars as military strength. Arms races haven't necessarily led to

"What tends to lead to war is rapid rearmament on the part of a tyrant and unilaterial disarmament on the part of the

Mrs Thatcher said that in her today she would reaffirm the importance that Britain weapons were on sale, attached to maintaining international security. She would this and agreed was stress the Government's Winston Churchill (Conference of the conference of the confere determination to press ahead with the search for a realistic balance and for verifiable arms control agreements.

'I will point out that the purpose of disarmament is not to undermine security but to enable it to take place at a thought she did not seem to sters who had resigned and to lower cost to all the nations mind how many deadly weapons the staffs of the Foreign Office who at the moment have very considerable armouries

Mr David Steel, the Liberal

occasions the Argentines had There were noisy scenes when been good customers there. To this Mrs Thatcher gave the from Mr Michael Foot, the usual reply that successive Government that signed con-Labour leader, to end such Governments had pursued the policy of selling arms abroad

"The result would be that we pulled out of arms selling."

ford East) protested that it was not right that, on the day she was leaving for the disarma-ment session, nearly every "fascist dictatorship" in Latin America and the Middle East and Far East should be attendspeech to the UN in New York ing the Aldershot exhibition where the most sophisticated

> The Prime Minister rejected this and agreed with Mr Winston Churchill (Con Stret-Britain's forces in the campaign. ford) that unilateral disarmament was the principal threat to achieving a proper arms control

> Minister of giving an "appalling" reply to Mr Allaun. He this to the Foreign Office Mini-Britain sold to the Galtieris of and Ministry of Defence. the future.

weapons.

There was a roar of disfully, she said it would be a "Unilateral disarmament approval from the Labour thorough inquiry as she was would open one up to attack benches as Mrs Thatcher quite sure that Mr Foot and the from strong nations. We must indignantly rejected this as Labour Party would not want have multilateral disarmament "ridiculous," particularly as it to hide anything.

came from a man who was a member of a Labour Govern-Nations session on disarmament leader, asked what her position ment which sold destroyers to Argentina.

> Urged on by his supporters, Mr Foot demanded to know how many fascist countries she was willing to sell arms to.

> Above the bubbub, Mrs Thatcher replied: "Will you not plead guilty? It was your tracts to sell destroyers to the Argentines. Those are the very destroyers which have been

used against us now."

Mr Foot suggested that she ment which had stopped the sale Mr Frank Allaun (Lab Sal- of arms to El Salvador, Chile, South Africa and Argentina. It was theh Conservative Government which started to sell arms to those countries again. Ken Warren (Con

Hastings) suggested that the

inquiry into the Falklands operation should ensure that evidence was obtained about political decisions taken by the last Labour Government which affected the capability of him that the evidence running up to the invasion would deal with decisions previously taken Mr Foot accused the Prime on defence and military intelligence. The Government owed

Emphasising her words care-

Interest rates rise blamed for increase in unemployment

BY OUR PARLIAMENTARY CORRESPONDENT

THE RISE in unemployment to contained a number of school- persisted. above 3m once again was leavers. Statistics showed that probably caused by the increase a number of other European in interest rates at the end of last year, Mrs Thatcher told the Commons yesterday.

Mr Michael Foot, Leader of the Opposition, said the figures announced yesterday were "the most serious domestic news for the nation." He said the country was back

to the worst trends of last year and asked the Prime Minister what prospects she saw for the

But in a series of sharp exchanges Mrs Thatcher argued that all the indicators now pointed to a sustained economic Cyclical indicators have for

a while suggested that there production, the fall in houseimplied a subsequent continuation in the recovery," she said. The figures were indeed unwelcome, the Prime Minister employment is going to conthey are conceded, but pointed out they time at this rate?" Mr Foot citizens."

countries had experienced an unusually large increase on a quarter by quarter basis.

"We think it was probably due in this country to the increased interest rates which occurred primarily because of the exchange rate at the end of last autumn," Mrs Thatcher The forward indicators now

showed hope for better things and for a continuation of economic recovery. But Mr Foot told her: "Part of the reason for these extremely serious unemployment

figures is the fall in industrial

"Can you tell us what said. "I hope, even at this late assumptions the Government is hour, those contemplating acting on about how long un-

The Prime Minister retorted that the main Government assumptions had already been published. Figures showed that economic activity was above the levels of last spring and industrial and manufacturing output was 2 per cent up from the spring of 1981.

"The prospect is for resumed and continued recovery and this is supported by almost all the independent assumptions," she

Answering other questions, Thatcher condemned strikes as unnecessary and urged unions to abandon current industrial action—an implied call to the tube workers and the railwaymen.

"I don't believe people who would be a plateau in the first building and the fall in other go on strike in this country half of 1982 and they also forms of activity.

have legitimate cause," she going on strike will realise that they are harming their fellow

Gow's role on Ulster questioned

A BITTER row flared in the Commons yesterday when the names of the Prime Minister and her "right-hand man" Mr Ian Gow (Con, East-bourne) were linked with a group of Conservative MPs determined to sabotage the plans of the Northern Ireland Secretary, Mr James Prior, to introduce "rolling devolution" in the province.

A hard core of Tory rightwingers, some of whom were called by the shadow Ulster Secretary, Mr Don Concannon, the "Get Prior brigade" are fiercely opposed to Mr Prior's Bill and have tried to kill it off by using delaying tactics. But the Government was imposing a guillotine on the proposals which means they are certain to become law in a few weeks.

Despite the decision to speed up the Bill's progress the handful of Tories who have fought tooth and nail against it, claiming it brings closer the prospect of a united Ireland, are common-ly believed to enjoy more than a measure of sympathy frem Mrs Thatcher.

The row was brought into the open by Mr Concannon, during the debate on the guillotine. He claimed that Tory opponents to the Northern Ireland Bill included a group whose only interest was "to pursue a pathetic per-sonal battle" against Mr Prior.

Mr Concannon then referred to the "shadowy crouching figure" of Mrs Thatcher's Parliamentary Private Secretary, Mr Ian Gow, who he said had "flitted across and around" the Tory back benches during debates on the Bill.

"Some might call him Supergrass"," Mr Concannon said, "but his role in this Bill remains one of the great unsolved mysteries.
"If there is any truth in

the stories circulating in the corridors then he does indeed have a lot to answer for." Mr Concannon said he had told Mr Gow of his intention to raise the issue but Mr Gaw had a previous engagement. "I'm sorry he is not here to

a It has been a nod here, a wink there, a tug at the elbow and a whisper in the corridor, but I think the committee should be told on whose insistence he has been doing

Welcome for baby

Birth of the royal baby was welcomed in both Houses of Parliament yesterday. Offering formal congratulations Mrs Thatcher said in the Comshares in the happiness of the Prince and Princess of Wales, the Queen and Duke of Edin-burgh and also Queen Elizabeth the Queen Mother.

SANDY HENDERSON, the Alliance candidate in tomorrow's

by-election at Coatbridge and

The exasperating closing days of his campaign to try to make

a dept in one of Scotland's

Labour bastions have left Mr

Henderson, 37-year-old manager of an industrial cleaning firm,

putting a brave face on things.

His campaign for the constituency, east of Glasgow, had

its highpoints: encouraging responses on doorsteps and

handshakes during party walk-abouts, but the Alliance was

poll showing it would command

a mere 4 per cent of the vote.

The NOP poll in the Observer showed Labour with 74 per

cent, the Conservatives with 15

Mr Henderson had hoped to run for Parliament closer to his

home in Livingstone down the

M9 towards Edinburgh but no

local candidate for Coatbridge and Airdrie could be found. Mr

Henderson's party, the Liberals, have not run in Coatbridge and

Airdrie since 1973 and local people wanted to know why. His

wife is expecting the couple's

"It's like a one-party state

here, or perhaps an election for a mayor in the U.S.," Mr Henderson mused over coffee

and toast provided in the home

He is taking on a Labour

machine, even more taking on

Mr Tom Clarke, the man who

runs Labour's local machine

and Labour is making confident

predictions of victory tomorrow.

Mr Clarke even speculated that

his three opponents might lose

of a local party stalwart.

first baby. And the Alliance's heart did not seem to be in the

fight during the final days.

with 7 per cent.

the Scottish nationalists

demoralised by a

one-party state.

Pressures build up on eve of Labour's Militants debate

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

right of his party on the eve groups like Socialist Organiser, suport of some other leftof today's meeting of the national executive committee Committee, another left-wing which will discuss the report into the activities of Militant ment warning that if the right Tendency, published last week was successful in its drive for

Labour Party groups should be set up as a first step to exclud- back the idea of a register of ing Militant from the party. But pressure groups. With the some members of the executive on the "soft left" of the party, upon whom Mr Foot depends for his majority on the executive, were expressing anxiety yesterday about the report's ecommendations.

Mr Doug Hoyle and Miss Joan Lestor, two of the Tribune of the party's organisation commembers on the executive who usually support Mr Foot, went to see him to express their reservations about the proposal o set up a register. altogether and proposes that all standing a Meanwhile, fears that the Labour Party members should candidates. to set up a register.

allowances for machinery or

those

announced, are being planned

freshly discovered tax avoidance

Mr Nicholas Ridley, Financial

Secretary to the Treasury, announced last night that an

amendment to strengthen exist-

ing provisions would be intro-duced when the Finance Bill returned to the floor of the

Commons for the Report Stage

and that it would have effect

He told the Commons stand-

Bill that new clauses already

tabled by the Government-some aspects of which the

newly discovered tax avoidance

schemes seek to frustrate—

would prevent the Revenue

tax running into

from yesterday (June 22).

BY IVOR OWEN

LABOUR'S leader, Mr Michael report would trigger off another have to agree to a statement re-Foot, was yesterday coming round of bloody fighting in the affirming Labour's commitment under strong and conflicting party were reinforced by belpressures from the left and ligerent warnings from far-left

The Labour Co-ordinating pressure group, issued a state-Mr Foot still looks set to get expulsions, "they must accept the necessary support for im- the responsibility for dividing plementing the inquiry's recom- the party far more bitterly than mendation that a register of we have seen for many years." The committee did, however,

> proviso that it should not be used to "control the opinions and activities of pressure by threatening groups, remove them from such register.' In an attempt to head off confliet, Mr Eric Heffer, chairman

Treasury acts on tax avoidance

for a new clause, operative from

rate of annual writing down

Mr Ridley said it now seemed

that in certain circumstances

the new 10 per cent would still

veloped to arrange terms for

foreign leases in such a way

that they continued to attract a

significant element of subsidy at

the expense of the British tax-

profile and providing for leases

over an extended period with

He told the committee these

the payments based on "rear-

devices were being openly dis-

Mr Ridley said the schemes

Schemes were being

already 25 per cent to 10 per cent the

be over generous.

mittee, was collecting support for a much milder response to the Militant report. His motion rejects the idea of a register

RESTRICTIONS on capital. There was a general welcome

plant leased overseas, going March 18 1982, reducing from

by the Government to counter, allowance for assets leased over-

ing committee considering the operated through artificially Bill that new clauses already "skewing" the rental payments

end loading."

seas

The formula may well get the wingers on the executive but Mr Poot, who discussed the statement with Mr Heffer that the report must be implemented in full.

Although Mr Fuot does not appear to be weakening in his! report, some right-wingers felt the need to strengthen his went to see him to urge him to go further than the report, and take action now to expel the 60 Militant.

They said that they thought the evidence submitted to the inquiry should be published in full and stressed that, in their view, the report made it quite clear that members of Militant should be disqualified from standing as official Labour

considering the most effective

new clause would be introduced

said leasing arrangements had

been widely used to reduce the

Mr Jack Straw, a Labour

at the Report Stage.

Pym regrets delay over Gibraltar border

IT WOULD be "inconceivable" for Spain to join the European Community while its border with Gibraltar was still closed Mr Francis Pynt, the Foreign Secretary, told MPs yesterday, earlier this week, will argue But he made it clear during was combient the border would eventually be reopened.

determination to implement the on the EEC Foreign Moisters' meeting in Loxembourg on Monday, said Sr Perez-Liouxa, resolve. A delegation from the the Spenish Foreign Minister, right-wing Manifesto Group had told him that the Spanish Government wished to postpone the arrangements by which the so-called Lisbon statement of or so leading members of April 10 would have been implemented.

These would have culminated on June 25 with the opening of ideratur's border with Spein The Government were fully prepared to go ahead and I much regret this further postponement," Mr Pym said

"Nevertheless I agreed with the Somish Foreign Minister that we were both determined to keep alive the process en-visaged in the Lisbon agree-ment," he added.

Mr Pym was pressed by Labour's Mr Bric Heffer to say whether the postponement made The Government was still any difference to the Government's attitude to Spain's counter-measures to take and the necessary changes to the joining the EEC. "The Foreign

realises very well that if they were to join, then it would be inconceivable to do so with the spokesman on Treasury affairs, frontier still closed," Mr Pym said. He then reiterated the long-

tax liabilities of manufacturing standing assurance that there companies and a number of would be no change in the status commercial institutions, notably of Gibraltar without the full banks.

Although corporation tax Sir Frederic Bennett (C. stood at 52p in the pound it was Torbay) said that without the virtually impossible to find any expectation by MPs of all company not only in the manuparties that the Gibraltar facturing sector, but in the blockade would be terminated commercial banking sector, this year, it would have been which paid anything like that very difficult to get zatification rate of tax on its pre-tax of Spain's entry into Nato. rofits. It was not only politically Mr Straw suggested that the inconceivable but legally im-

high profits enjoyed by the possible for a country to fain banks reflected, in part, their the European Community with success at employing artificial its borders closed to a member

Lloyd's 'clash of interests cannot be ignored'

BY IOHN MOORE, CITY CORRESPONDENT

LINKS between Lloyd's insur- forced sale of brokers' share- four groups controlling 19 ignored." writing management companies of insurance syndicates with the market are a conflict of interest which cannot be ignored," a House of Lords select committee was told yesterday.

the Lloyd's Bill for improving dell. QC, said that, on analysis, the philosphy of Lord Cromer, ness.

the insurance market's self-those opposing the divestment who had studied Lloyd's affairs. He argued that when Sir committee stages as a number of 301 underwriting agents were on self-regulation at Lloyd's of insurance brokers and under- opposing the proposals, while forms the basis of the legislawriting interests have sought to the broking firms petitioning tion, that there is a conflict of nature of the problem of abuse remove a clause calling for the against the measure totaled interest which cannot be was.

ance brokers and the under-holding links with underwriting managing agency companies — the groups which run under-writing syndicates. The Lords committee will an-

pounce whether the Bill should be changed next Monday.

Lloyd's brokers out of a total of Earlier during yesterday's

hearing Sir Frank Layfield, OC. But he added that he did not making the closing address for suppose the Lords committee the opponents of the divestment was going to arrive at a decision clause, said that those practissimply by counting heads. Mr ing common ownership at The House of Lords select In his closing address on he Boydelf argued that Lloyd's Lloyd's represented the most committee has been reviewing half of Lloyd's Mr Peter Boy members had accepted wholly energetic part of Lloyd's busi-

regulation. The Bill has met clause in the Bill represented a more than 10 years ago, and Henry Fisher studied the queswith extensive opposition in the small number. Less than a score Sir Henry Fisher, whose report tion of candict of interest he had not realised how limited the

COATBRIDGE AND AIRDRIE BY-ELECTION

Underdogs up against the Labour machine

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

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competing against the royal baby, the World Cup and the Falklands war. But they hope that local

their deposits.



The four contenders: Hugo de Burgh, Conservative (top left), Sandy Henderson, Alliance (top right), Ron Wyllie, SNP (bottom left) and Tom Clarke, Labour (bottom right)

apathy, in what has turned out by-election where the presence to be a far from lively campaign, of Mr Roy Jenkins, running for may mean that a large proportion of Labour voters will stay three party groups to make an has been lacklustre, impact in the polling booths. Unemployment of

over three decades and party The three underdogs have influence has percolated right ing issues have predominated, admitted it has been difficult to make an impression, especially with the media, when whose death caused the by A System Three poli in yes-

the Alliance, forced national issues on the voters, the issues at home, allowing more com-mitted voters from the other been as local as the campaign Labour has held the seat for per cent in the constituency,

local plant closures and hous-pressed. election, won the seat with a terday's Glasgow Herald, mir-majority of 15,156 in the general rored considerable national lection. scepticism in Scotland about the Conservative support can Unlike the Glasgow Hillhead South Atlantic conflict, with 45 almost be pinpointed to areas.

ing the action. On local issues Tom Clarke ("Tom's our man, shout his election posters) is on home ground. He can handle the

price paid in men and equip-

ment and 55 per cent approv-

query about a cracked sink among the 80 per cent of dwellings which are council houses. He seems to know everyone and their granny. Clarke is a batchelor who lives with his mother and sister in Coatbridge. He has tried to steer clear of the left-right

battle within the Labour Party. "Mr Benn is not an issue in the election," he told reporters But on the sidelines, at a fac-tory where Mr Neil Kinnock

was addressing about 25 work-ers on behalf of Mr Clarke this week, local union men and party representatives were worried about the party rift. Mr Eric Tracey, the local Tass representative at Lamber-ton Engineering and Mr Will McGuire, an AUEW man with a Labour badge on his over-alls, thought the party's lack of direction was damaging. Labour divisions has been

one of the cards played by Mr Hugo de Burgh for the Conservatives. "Alien forces are tearing the party apart," he says, "If David Owen was ready to try his luck at gaining public attention for the Albiance during last night's game between Scotland and Russia, why

wasn't Labour trying Mr Benn,

Mr de Burgh, 32, a television journalist who also worked in industrial training, says his canvass returns show his party Unemployment of about 24 will lead. But he has declined to give the figures when

> The Conservatives have never gained more than 28.6 per cent of the vote in the past three elections and have only managed to take three of the 17 district council seats.

per cent thinking that retaking of private housing in Coat-the islands was not worth the bridge Party support is more extensive in Airdrie. But Labour is not the only party worried by internal strife. A left-right division in the Scottish National Party

could hurt Mr Ron Wyllie, the SNP candidate. Mr Wyllie, is a rotund, 27 year-old lay preacher and an outspoken member of the party's 79 Group on the left. But he, too, has been dampen-ing talk of party rists or specu-

party following its decision to proscribe all factions. The Nationalists, their poor poll showing have demonstrated that they can bring out their supporters.

lation of secessions from the

Young unemployed party supporters have camped with their sleeping bags inside the party headquarters in a vacant industrial estate building Voters are invited to drop by the committee rooms for a snack or to watch the World Cup on the telly. Mr Wyllie estimates he has

8,000 supporters in the constituency. A low general turn-out would allow this group to make a sizeable impression on The party workers are perhaps most impressive of all the

parties in action. They attack a housing estate in well-co-ordinated groups. Ron Wyffie mans a bullhorn while party workers knock on doors and stuff leaflets into letter boxes. They give the impression of a mass nationalist assault

But Nationalism is not a burning issue in Scotland these days, although the party, especially through its left wing, has been trying to attract more support inside the trade unions.

CANDIDATES Thomas Clarke (Lab) Hugo William de Burgh

Sandy Handerson (Alliance) Ron Wyllie"..... General election 1972 J. Demosts (Lab) 27.598: J. Luve (Con) 12.442 Mrs. M. Johnstone (SAP) 5.200; List majority 15,156.

whether the First Division erred

in regarding GUS's averments of

loss as irrelevant. GUS was

suing to recover, not its own

loss but the Joss suffered by

Rest. It was undeniable, on the averments, that Rest suffered

some loss through the Little-

woods' operations. Its building

How was the loss to be

measured in money terms? One

extent to which the value of the

building had depreciated as a

result of the damage. Another was to assess the cost of repairs

necessary to restore it to the

condition it was in before the

The averments of GUS about

its own expenditure on repairs

were not open to any objection

insofar as they were averments

of fact. They had relevance as

indicating the scale of expendi-

ture which it was likely Rest would have incurred had it con-

The facts averred might thus

purpose of arriving at an esti-mate of the loss suffered by Rest.

It was that loss, which GUS, as

assignees of the claim, was seek-

The appeal should be allowed.

Lord Diplock, Lord Fraser, ord Roskill and Lord

r GUS Property Management:

J. Murray QC and N. M. P. Mor-rison (Paisner and Co., agents

for Keichen and Stevens, Edin-

For Littlewoods and the other

respondents: J. A. D. Hope OC and G. N. H. Emslie (Wilkinson, Kimbers and Staddon, agents for

Scott Moncrieff and Trail Edin-

burgh; Dorman, Jeffrey and Co., Glasgow; Simpson and Marwick,

again have another profitable

disappointment to him if his

maiden, The Minstrel filly

Quest, cannot get off the mark

in the first division of the Pem-

SALISBURY

RIPON

By Rachel Davies

Barrister

tinued to own the building.

was seriously damaged.

operations.

ing to recover.

burgh).

Edinburgh).

broke Stakes.

Brightman agreed.

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June 23 1982

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M. Eric Refer & COURT DE SEL COURT Terrard 连上 - Ber Berrann alles in the Anse in the control of the control o . 257.45

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I am astonished, however, by the fate of so many climbing roses. Of all the winter's vic-tims, these surprised me most. They have made a poor recovery since the frost stopped. What should you now do with those huge tangles of dead wood on which a few shoots are showing flowers while the leaves turn a sickly yellow-green in the sun-There will be no more shoots. I fear, from wood which is resolutely dead. The time is

their lives,

which anyone can be happy

with his garden. The first bed-

ding plants are beginning to flower. There are pinks, orange

blossom and masses of pale blue campanulas. Above all, there are roses, battered but back in

wer after the worst winter of

no longer deserve to be saved. The pro To my amazement, I lost two it is pro Paul's Scarlet ramblers which suckers. were as high as my house, but I suspect their age proved

critical them back to their base and is less robust than other rose, the new Benson and waiting for a few final shoots. colours. Now, I feel we are Hedges Special, is a clearer gold Younger plants, however, still starting to breed strong and and may be useful if you like a horrible squat pink variety have their big system of roots tolerably coloured flowers in two-foot high bush with big Angela Rippon. and these should give them the this charming range. edge over young replacements. We have had two years to size To encourage them, I am dressing them heavily with rotted called

BBC 1

6.40-7.55 am Open University

(Ultra High Frequency only). 10.90 You and Me. 10.15-11.15

For Schools, Colleges, 1.00 pm News After Noon, 1.30-1.45 Over the Moon, 1.55 Wimbledon 82.

4.18 Regional News for England (except London). 4.20 Play

5.05 Newsround. 5.10 Wildtrack.

6.00 Regional News Magazines.

6.55 Comedy Classic; The Good Life, starring Richard Briers, Felicity

7.25 Wednesday Film: "The Pistolero of Red River." starring Glenn Ford, Angie Dickinson and

Chicago Story: The bright lights and busy streets of Chicago. This

entitled "Dutton's Law."

lights of three matches— Brazil v New Zealand,

Argentina v El Salvador and Italy v Cameroon.

10.35 Taxi: America's comedy

11.00 World Cup Report: High-

All IBA Regions as London

except at the following times:-

ANGLIA
1.20 pm Anglis News. 2.45 The
Last of Summer. 5,15 Jangles. 8.00
About Anglis. 12,40 am Personal

BORDER

1.20 pm Border News: 2.45 Cherlie's Angels. 5.15 Survival. 6.00 Look-Bround Wadnesday. 12.40 am Border

CENTRAL

1.20 pm Central News. 2.45 The
Body Human. 5.15 Diffrent Strokes,
6.00 Croseroads. 6.25 Central News.

CHANNEL

1.20 pm Channel Lunchtims News, Whet's On Where. 2.45 The Last of Summer. 5.20 Crossroads. 8.00 Channel Report. 6.30 Balley's Bird. 10.58 Channel Late News. 11.06 TV

eround Waanssu. News Summary.

Chad Everett

Nationwide.

Camedy Classic; The

and Penelope

5.40. News.

Kendal

Keith.

9.00 News.

9.25 Chicago

series.

10.58 News Headlines.

hool 4.45 Joey and Redhawk.

BY ROBIN LANE FOX recovery. Down among the flower beds, bush roses have had an easier

time. If anything, the winter

GARDENS TODAY

Rose varieties of the TV era

gave many of them the hard-pruning which they prefer. Here, too, I am looking for a few replacements. Not all the rose Derek Nimmo has flowers block for the middle row. of a fierce salmon colour on

Coleman, an called David must now be cut out and, in return, you should double the food for old plants which you and a habit of hanging its head bright. They show no trace of not large but they have the and a habit of hanging its head or orange, tinges which well-rolled centre or not have a reason to type whenever gold or orange, tinges which it is proving unusually prone to

seem to collapse at the first sign yellow range.

of mildew. The shape of the What about the famous flower is very distinctive. It Mountbatten? It is too early

new varieties are bad, but as a not tapered buds and, despite ever, and I doubt if it will suit useful rule, I suggest that you its quaint Many name, it ought all the front gardens into avoid the recent media roses to make a mark on civilised whose TV namesakes have re-borders where a strong yellow ceived poetic justice. The new would be out of place in a

ugliest roses of the century, a which have dazzled us with from Kordes's earlier poorly-formed semi - double some brilliant roses over the called Korresia. This yellow called Simba, released colour and it smells past for new growth and new abundant performer in hot Mattock's rose nurseries, but its notice, buds. All remaining debris summers, with flowers of a flower has the tapering centre grown flower has the tapering centre grown in popularity.

The recent Benson and thickly. new breaks in the difficult field colour schemes because its class of floribunda yellows.

They were over 30 years old of yellow. Yellow roses trace petals are shaded with a muddy. It is seldom that I see m formal flowers.

Tynwald and I think and we must go back to yellows have had names of their manure during their flowering that it has passed the test. The Grandpa Dickson in the late own and remain a new group season. Most of our roses are leaves are unusually dark and 1960s. This is not the strongest worth taking seriously if you starved in a good year. After the flowers are a fresh ivory-rose, but I wish the breeders mind about your border's such a bad one, they ought to be white and cream-yellow. The would come up with something colour.

THESE ARE the weeks in fattened up to speed their bushes are vigorous and do not robust in this paler end of the

is thickly-bunched, lying like for gardeners to judge, but it the circular pattorn of petals in looked good in the royal a plausible sort of sham paper wedding bouquet last year and ose. I very much like its light, airy Tynwald has rounded flowers leaves. It is a tall rose, howwhich its strong yellow flowers will find their way.

Montbatten, to my nose, lacks any scent. Scent, I agree, is For stronger colours, we never strong in these new have long looked to the German hybrids, but I hope that stiff stems, while poor old Sue have long looked to the German hybrids, but I hope that Lawley has landed one of the nurseries of the Kordes family Mountbatten will not divert you This is a blotch of cerise red fringed years. I suspect that their new butter yellow, but it is a clear quite For next year, there are this year, may last the course, strongly for a modern rose, rumours of a new sport to be I only know it from shows and Bred in 1973, it entered the healthy performance on market without much general Since then, it has

Some very old ramblers may it is forced under pressure, spoil so many self-styled variety. The bushes are not o longer deserve to be saved. The problem, I gather, is that yellows. I hear nothing but Hedges Gold from McGredy's good of its health and rate it Away from the publicity, was launched with the usual above that old Aligold which there have been some promising fanfare, but I ban it from any held the stage for years in the

It is seldom that I see much and I see no point in cutting back to a wild ancestry which orange-scarlet. Their miniature improvement in the modern roses and I can only sympathise with those of you who grow the

Are the breeders getting We have had two years to size At a better height, clear their own back on the TV stars up Mattock's annual tea rose lemon-yellow is rather scarce they love to hate? So far, the

TELEVISION

Tonight's Choice

Tonight's World Cup match (ITV 7.30) could be one for the record books when favourites Brazil take on rankest outsider New Zealand—keep an abacus handy. It might be best to stay with the commercial channel which, in the London area at least, has an early film by cult producer John Carpenter Assault on Precinct 13. Its success in the UK, on a budget of £100,000, ensured the go ahead for the first Carpenter smash, Halloween. Earlier in the day, also on ITV, and also in London, is Around London, which is taking a look at the capital's institutions, and

this week alights on the City. You will probably not learn much but there is a chance you will be in the background. The best that BBC can offer is another in the Man Alive debate series on BBC 2, this time on the role of the police. All the old prejudices will be aired, but democracy will be seen to have been done. Later the Stravinsky season ends at 9.30 with

a repeat of the ballet based on his "Symphony of Psalms."
On Radio 4 there is an encouraging anniversary—it is 10 years since the last major air crash in the UK. The programme looks at the lessons learned from the BEA Trident disaster at Heathrow in 1972.

ANTONY THORNCROFT

6.40-7.55 am Open University. 10.00 Gharbar. 10.30 Gnardar.
10.30-10.55 Play School
12.30-1.20 pm Open University.
2.01 For Schools, Colleges.
3.00 Wimbledon '82.

8.10 News Summary.

8.15 The Man Alive debate. 9.00 Butterflies by Carla Lane. 9.30 Stravinsky and Dance.

LONDON

9.30 am Schools Programmes 11.54 Dick Tracy Cartoon. 12.00 Windfalls. 12.10 pm Rainbow. 2.30 The Communicators. 1.0 News, plus FT Index. 1.20 Thames News with Robin Houston, 1.30 Look Who's Talking. 2.00 After Noon Plus Revisited: Mayis Nicholson presents a compilation of some the funniest interviews seen on After Noon Plus over the past year. 2.45 The Six Million Dollar Man. 3.45 Three Little Words. 415 Porky Pig. 420 Storybook International, 445 Andy Robson. 5.15 Around London: "The City," with reporter Denis Tuohy.

5.45 News. 6.00 Thames News. 6.25 Help!

6.35 Crossroads. 7.00 Coronation Street. 7.30 World Cup '82: Brazil
v New Zealand, from the Benito Villamarin Stadium, Seville, introduce by Brian Moore. Commentator is John Helm, with Denis Law.

"Assault on Precinct 13." starring Austin Stoker, 12.40 am Close: Sit up and Listen with Lord Beloff. † Indicates programme in black and white

10.00 Wimbledon: Match of the 10.45-11.35 Newsnight.

Movie: "Death at Love House." 12.50 am News and Weather In Franch; followed by Epilogue. GRAMPIAN
9.25 sm First Thing. 1.20 pm North
18ws. 2.45 Trapper John. 5.15
18angles. 8.00 North Tonight. 12.40 News. 2.45 Trapp Jangles. 6.00 North am North Headlines.

GRANADA Grando Wettoo 1.29 pm Granada Reports. 2.00 Retigement Report. 2.30 Putting on the Style. 2.45 Play It Again. 3.15 Arthur C. Clarke's Mysterious World. 5.15 Welcome Back Kotter. 6.00 This is Your Right. 6.05 Crossroads. 6.30

4.15 Here's Boomer. 4.45-5.15 Liygad Barcud, 6.00 Y Dydd. 6.15-6.35 Report Wales. SCOTTISH

12.30 pm Survival. 1.20 Scottish News. 2.45 Love Bost, 5.10 Traveller's Tales. 5.20 Crossroads. 5.00 Scotland Today, followed by Action Line, 6.30 What's Your Problem? 12.40 sm Late

TSW

Granads Reports. 2.00 Retirement
Report. 2.30 Putting on the Style.
2.45 Play it Again. 3.15 Arthur C.
Clarke's Mysterious World. 5.15
Welcome Back Kotter. 6.00 This is
Your Right. 5.05 Crossroads. 6.30
Granada Reports.

HTV

1.20 pm HTV News. 2.45 Fantasy
Jefand. 4.15 Ask Oscarl 5.15
Stingray. 6.00 HTV News. 10.58 HTV
Naws.
HTV Cymru/Wales—As HTV West
axcept: 12.00-12.10 pm Ty Bach Twt TSW

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News. 1.25 Where The Jobs Are. 2.45 The Love Bost. 5.15 Private Benjamin. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 12.40 am Islam.

ULSTER 1.20 pm Lunchtime. 2.45 Young Ramsay. 4.13 Ulster News. 5.15 Gambit. 6.00 Good Evening Ulster. 12.40 am News at Bedtime.

YORKSHIRE .

11.55 am The Undersea Adventures of Ceptain Nemo, 1.20 pm Calendar News. 2.45 Chartle's Angels, 5.15 The Lincolnapire Show. 6.00 Calendar (Emley Moor and Belmont editions).

(S) Stereo Broadcast (when br on VHF)

RADIO 1

TABLE 1

5.00 am As Radio 2 (S). 7.00 Mike Raid. 9.00 Simon Bates. 11.30 Dave Leg Travis. 2.00 pm Steve Wright. 4.30 Richard Skinner. 7.00 Radio 1 Mailbeg 8.00 David Jansen. 10.00-12.00 Mark Ellen (S).

VHF Radios 1 and 2—5.00 am With Radio 2, 2.00 pm Don Durbridgs (S). 4.30 Colin Berry (S). 5.45 News: Sport. 6.00 John Dunn (S). 7.00 With Radio 2, 10.00 With Radio 1, 12.00-5.00 am With Radio 2.

12.00-5.00 am With Radio 2.

RADIO 2

S.55 am Weether. 7.00 News. 7.05
Your Midweek Choice (Continued). 9.00 News. 9.05 This Week's Wogen (S). 10.00 Jimmy Young (S). 2.00 pm
Wimbledon (S). 7.00 John Dunn (S). 8.00 Alan Dell with Dance Band Days. 8.00 Alan Chackefield (S). 9.50 Sports

S.55 am Weether. 7.00 News. 7.05
Your Midweek Choice (Continued). 9.00 News. 9.05 This Week's Camposer: Purcell (S). 10.00 News. 10.00 News. 7.05
Your Midweek Choice (S). 8.00 News. 9.05 This Week's Camposer: Purcell (S). 11.00 News. 10.00 News. 9.05 This Week's Symphony Orchestra (S). 12.05 pm
Weether. 7.00 News. 7.05
Your Midweek Choice (Continued). 9.00 News. 9.05 This Week's Camposer: Purcell (S). 11.00 News. 9.05 This Week's Symphony Orchestra (S). 12.05 pm
Wimbledon (S). 10.00 News. 9.05 This Week's Choice (Continued). 9.00 News. 9.05 This Week's Camposer: Purcell (S). 11.00 News. 9.05 This Week's Choice (Continued). 9.00 News. 9.05 This Week's Choice (Continued). 9.00 News. 9.05 This Week's Choice (Continued). 9.00 News. 9.05 This Week's Camposer: Purcell (S). 11.00 News. 10.00 News. 9.05 This Week's Choice (Continued). 9.00 News. 9.00 News. 9.05 This Week's Choice (Continued). 9.00 News. 9.00 News. 9.00 News

RADIO

Desk. 10.00 Tom Mannard tells Local Tales. 10.15 The Wurzels, 10.30 Hubert Gregg says Thanks For The Memory. 11.00 Brian Matthew with Round Mideight (stereo from mid-night). 1.00 am Encore (\$). 2.00-5.00 You and the Night and the Music (\$)

RADIO 3

Costes. 4.00 Choral Evansong (S). Cortes. 4.00 Choral Evensong (S).
4.55 News. 5.00 Mainly for Plassura
(5). 6.30 Pizzetti: Raquism Mass (S).
7.00 Throwaway Theatra: Cntical
assessment of Italian playwright and
parformar Dario Fo (S). 7.45 Russian
Plane Music: Part 1—Tcharkovsky.
Prokofiex. 8.35 Six Continents. 8.55
Russian Plano Music: Part 2—Mussorgsky, Balakirav (S). 10.05 Two Gallants
(story by James Joyca). 10.25 BBC
Scottish Symphony Orchestra (S).
11.15-11.18 News.

RADIO 4 6.00 am Naws Briefing: 6.10 Farming Today: 6.25 Shipping Forecest. 6.30 Today. 8.33 Yastarday In Parliament. 8.57 Wasthar, travel. 9.00 Naws, 9.05 Midwaek: Henry Kally (S).

10.00 News. 10.02 Gardeners' Question Time. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.03 Baker's Dozen. 12.00 News. 12.02 pm You and Yours. 12.00 News. 12.02 pm You and Yours. 12.50 Weather. Travel. programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theetre. 3.47 Time For Verse. 4.00 News. 4.02 The Place For Me. 4.10 File on 4. 440 Story Time. 5.00 PM: News Magazina. 5.50 Shipping Forecast. 5.55 Weather. programme news. 6.00 News, including Financial Report. 6.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 Radio 4 Afloat. 7.45 Animal Language (S). 2.15 Antony Hopkins. (S). 8.45 Aircrash: A look at the work of learning from an air crash. 9.30 Kalsidoscope. 9.53 Weather. 10.00 The World Tonight. 10.30 Mem of Property (S). 11.00 A Book at Bedtime. 11.15 The Financial Warld Tonight. 11.30 Today in Parlisment. 12.00 News.

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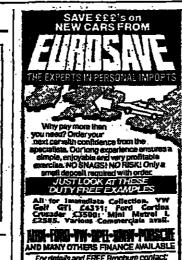
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FT COMMERCIAL LAW REPORTS

Assigned claim gives title to sue

GUS PROPERTY MANAGEMENT LTD * LITTLEWOODS MAIL ORDER STORES LTD AND OTHERS House of Lords (Lord Diplock, Lord Fraser of Tullybelton, Lord Keith of Kinkel, Lord Roskill and Lord Brightman): June 17 1982

Where a court assesses loss and damage to property in-curred before assignment of its group of companies were to be transferred to a newly a claim for such loss, it may hase its assessment on the created wholly-owned subsidiary, cost of repairs, or the depre-ciation in value of the The building in Queen Street was conveyed by Rest to GUS on March 14 1975 for £259,618. property caused by the damage; and if depreciation is on starch 14 1975 for 2235,016. That was the figure of value at which the building stood in Rest's books. On June 15 1976, Rest assigned to GUS all claims artificial book value is irrele

arising out of the Littlewoods building operations. damaged condition and the price it would have fetched GUS pleaded its claim on an undamaged. alternative basis. The first was that the value of the building in its damaged state at the time The House of Lords so held when allowing an appeal by GUS of the Littlewoods operations was £300,000, whereas its value Property Management Ltd (GUS) from an interlocutor dated March 12 1981 by which Management in an undamaged state at the same time would have been £650,000. The claim on that basis would be for the difference the first Division of the Court of Session (Scotland) held that it had no title to sue in its action against Littlewoods Mail Order between the two sums, namely

GUS appealed.

LORD KEITH said that Rest Property Co. Ltd (Rest) owned a building in Oueen Street, Glasgow. Littlewoods owned an adjacent property in Miller

Stores Ltd and three other

vant and the loss is the

difference between the true value of the property in its

Littlewoods arranged to have certain building operations carried out on its property. These involved the employment of a firm of structural engineers and of main contractors who in turn engaged sub-contractors for specialised piling work. That piling work, so it was alleged, was carried out negligently, with the result that serious structural damage was caused to Rest's building.

An action was raised in July 1976 claiming damages from Littlewoods, the structural engineers, the main contractors, and the sub-contractors, jointly and severally, as being in varying ways responsible for the damage to the building.

RACING

BY DOMINIC WIGAN

UNLESS THE rains descend on Salisbury's downland course today with the devastating force which yesterday led to the abandonment of waterlogged Pontefract, a bumper Bibury Cup card should be enjoyed by many.

year's Bibury pro-Last endurance test, with three divisions of the Shrewton another fellow Sussex raider, Maiden Stakes and two for the Pembroke Stakes. Just about the only man on Maiden Stakes. the course who can have appre-

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(100-30) and Sally Rose (9-4) lop's pair, Monetarist and away. The first, a previously untitle final three furiongs raced colt by Monsigneur out of Aaborun only failed narrowly the winning Sparkler mare,

Elated, has been moving suffihas a great chance of upsetting of the Shrewton Derby. division

Aaborun, among the runners Quiet Don, Guy Harwood

In April 1972 Rest's parent expended that money. The excompany adopted a policy under penditure was that of GUS and it remained which investment properties in not of Rest. The alternative whether the Fit its group of companies were to claim for diminution of the value in regarding GU of the building was regarded as irrelevant, on the ground that the cost of repairs represented the proper measure of damage to the building, being all that

was necessary to achieve restoration to its original state. It was also held that the conveyance of the building had divested Rest of any title to pur-sue a claim, because GUS's aver-ments showed that the book value price which Rest received for the building would have been exactly the same even if the building had not been damaged. So Rest suffered no loss.

Where specific property was damaged by delict, it was a general rule that the owner did not, by parting with the property. lose title and interest to pursue a claim for damages against the wrongdoer. Where the property The second basis was that of was disposed of for the price it the cost of repairing the damage to the building. In that con-nection GUS averred that, after was worth in its damaged condition, the best measure of the loss was likely to be the difference the conveyance of the property between that price and what it

but before the assignment of Rest's claim, GUS had expended about £55,450 on reinstatement would have fetched undamaged. However, an owner might diswork and professional fees. than by such a transaction. He The main contractor and submight, for example, alienate it gratuitously. It was absurd to suggest that in such circumcontractor pleaded no title to sue. The Lord Ordinary repelled the pleas, but they were sustained by the First Division. stances the claim for damages

would disappear. In the present case, the price for which Rest conveyed the The basic question whether GUS was really seeking damaged building was irrelevant to pursue a claim which Rest could have pursued at the date for the purpose of measuring the loss suffered by Rest, and was inof the assignment. The only loss GUS could claim by virtue of the assignment was loss suffered by Rest for which Rest capable of founding an argument that Rest suffered no loss at all. That figure was fixed in an Internal group transaction, for could have sought reparation. accounting purposes only, without any reference to the true The First Division took the value of the building. The transview that Rest, at the date of

the assignment, did not have a valid claim to recover the sums ence that Rest suffered no loss. spent on repairing the building, because Rest itself had not Rest's transfer of the property. therefore, did not destroy its

action could not lead to the infer-

ciated the 1981 marathon was for Salisbury's oldest race, the (responsible for Lively Rhythm Willie Carson, who must be Bibury Cup an hour later, has and Taher a year ago) should looking forward to minor pick- taken some time to show any ings. Responsible for winners worthwhile form. However, afternoon. It will be a bitter in Tulsa Flyer (7-1), Annesley judged on his recent fourthlast year, Carson has likely Childrey Stakes over 13 furlooking mounts on John Dun- longs his day cannot be far Brought with a steady run in

against Brevet, Deroulede and Work Mate for the minor placciently well on Arundel's Hill- ings. He is reckoned the chief gramme proved something of an side gallops to suggest that he threat to Tidworth Tattoo, who has suddenly found the form which encouraged David The Quiet Don in the opening Elsworth to run him in the Whatever the fate of The

2.45—Grand March 3.15—Tidworth Tattoo** 3.45—Mysotis 4.15—Quest*** 4.45—Castle Guard 5.15—Raughtiness

2.15-Monetarist*

3.00---Jubilee Saint 4.00-Longtoft

Announcing an OFFICIAL FIRST DAY COVER COLLECTION in honour of the EACH COLLECTION CONTAINS 30 COVERS, SIGNED BY THE STAMP DESIGNER A unique collection of Royal Baby stamps has just been announced by six British Commonwealth countries-Nevis. Tuvalu. Kiribati. St. Kitts, St. Vincent and for the first time ever on stamps-the romantic island of Mustique. As time prevented new stamps to be designed, a very limited number of unsold stamps of the recent 21st Birthday —an issue which was available in the special Gutter Pair format -- were overprinted "ROYAL" BABY. Stamp collectors will be well aware that this earlier issue featured Gutter Pairs - one of the latest and most popular trends in stamp collecting. With supplies so very limited, we fully expect to be Now. Stanley Gibbons, "the greatest name in stamps." are quickly over-subscribed, so only early orders are proud to announce that they have reserved a very limited likely to secure the complete collections of all 15 number of complete collections of these special Gutter Pairs covers from the six different countries - a truly overprinted "ROYAL BABY" on Official First Day Covers magnificent series of 90 covers in total—each a from all six countries. miniature work of art. SIGNED COVERS—something really special! SEND NO MONEY In each collection, covers containing the top value stamps are individually signed by one of the artists-To avoid any single major outlay the Derek Shults or John Cooter - 30 signed covers in , collection wil be spread over 12 months at the fixed monthly rate of only £16.50 per

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Why three men bought a bank

Duncan Campbell-Smith looks at Close Brothers three years after its directors bought it

people in the modern City of been acquired by the Consoli-London spend all day looking dated Gold Fields Group and at the results of private enter. Kent was persuaded soon after most businesses uncertain of prise, it is a mystery that so wards to join what he now few take the plunge themselves describes as "a small but and strike out into the financial totally solvent bank owned by sector with small ventures of someone very big."

least, who did just that in the recruit found it heavy going to 1970s. They had seen enough sort out a £2m loan book, at of the merchant banker's world to marvel at the huge fees changing hands and the bread- lems. and butter nature of so much of the work involved.

The three men reacted first by moving away from select jobs into a tiny survivor of the secondary banking crisis. They ran it as a before the sale to ConsGold. private venture for five years Banking, he still avows, is "a —then consummated its lot of common sense and a lot recovery with a management buy-out in 1979 which gave

them 40 per cent ownership.
Three years later, Close
Brothers is still quietly thriving on a diet of deposits and commission fees from small business clients. By identifying their market and sticking carefully to it, three unusual entrepreneurs have successfully planted a small-scale venture in the City's own back yard. Rod Kent is the managing

J. Henry Schroder Wagg in 1973 to go to the INSEAD

Except for those, of sombre mien,

On chauffeur-driven silver clouds.

Most clearly on the eight-fifteen.

Perform their ritual commuting.

For here it is the sales director

With broker, City gent or nurse,

Derived from salary or status.

Across the carriages they toss

By gauging business sentiment,

By experts too refined to crawl

Like flies upon the carriage wall.

Where businessmen, in diverse suiting,

Rubs shoulders with the tax inspector, And factory managers converse

Which job and office may provide: And free from the absurd inflatus

The things they never told the boss-

What more pretentiously is meant

Not secrets of the way they're dealing, But what it is they're really feeling;

Or float to meetings, through the crowds,

Who ride the lonely limousine.

Executive morale is seen

Across the usual divide

At the time, though, the bank Or so think three men, at was in a mess and the new least half of which posed interest and repayment prob-

> At 27, Kent had a challenging job. There were few other executives around and he worked closely with Michael Morley, the bank's chairman and for a short time its owner, of law"-so they hired a

Peter Stone had been at school with Kent in the 1960s. A curious career divided between City solicitors Slaughter and May and the basket of Britain's fourth registered professional hot air balloon suggested that an unconventional job offer might appeal—and it

many clerical staff, too big an office building, too loose an of a contested takeover. Being asset structure and too little the big fish in a little pond, he school, in Geneva, idea about its management aims found, made banking rather where he met a director of and position in the market- more fun.

BOARDROOM BALLADS

THE SAGE OF THE TRAIN

Next week; Anglo-Japanese ventures

their optimum size.

Close Brothers was pruned back sharply. Nevertheless, by 1976 a third man was needed to add accounting skills to the board.

Morley asked a friend at Barings how they went about recruiting executives. He took his advice, put a small advertisement in a newspaper and Close took on the first of 60 applicants—an unhappy man from Barings.

More fun

Peter Winkworth is now 33 and trained with Peat, Marwick Mitchell, the accountants. Merchant banking looked to him like "less work and more money" than toiling on the junior staff of one of the Big Eight accounting firms. This led him into a three year stint in Barings' corporate finance department

He did find it less work-but did.

less satisfying, too. Within days
The new team tackled the of joining Close Brothers in
problems of a bank with too 1976, he had direct personal responsibility for the conduct

And yet, some sense and understanding

And who are bears, and who is bullish

Who's laying off and who's recruiting,

And which collapses they are mooting;

Of those who take more silent places,

Withdrawn from all the conversations; Or, somewhat furtirely and solemn,

And sit, between suburban stations,

Make markers with a poignant pen.

From Maidenhead and up the Tyne;

The business microcosmic view,

Is in the buffet-car from Crewe, Or riding the commuter line

And he who swaps the ismousine, In favour of the eight-fifteen,

May find some unexpected gain

Among the sages of the train.

All this is traded, jast and free, Across the plastic cups of tea.

And much is written in the faces

Peruse the situations column,

And, animated now and then,

Or where the order-books are fullish:

Of who's contracting or expanding;

CONSIDERING HOW many Close Brothers. It had just place: not so much a combina- As its three-man team grew By 1978 they were going well and in the madern City of been acquired by the Consoli- tion - restricted to small in confidence Close regained its enough, in fact, for the three businesses as one common to poise. In 1978—the centenary young directors to see another of the bank, appropriately— future for themselves as share-pre-tax profits of £180,000 were holders as well as executives. achieved and the balance-sheet They embarked an a managehad £10.3m of deposits. The ment buy out chairman talked a little grandly Each of them borrowed in the annual report about - £25,000 from the Midland Bank Close's long history but stated

-giving second charges on its new task haldly enough: their houses in the processand took a 10 per cent stake in a new equity structure capitalised at £250,000. Today, a series of acquisi-

ConsGold also had a definite tions, management changes and role to play as the bank's perent one further capital reorganisa-and fulfilled it perfectly, says tion has transformed Close Kent ConsCold group publicity Brothers' autward form. It referred usefully to its owns a factoring subsidiary, merchant banking arm, which Century Factors, based largely beefed up Close's official image. in the West Country. It has a On the other hand, the bank money market venture, Spry was not forced into any overall Finance, owned jointly with a Bristol stockbroker. And the directors have some useful fellow shareholders, including In several respects, the limits on ConsGold's watching brief three trusts in the F and C were more important than the

help if gave. Close was allowed to avoid business relying on the however, is unchanged.

With a handful of staff and ConsGold connection. It did not become treasurer to the one secretary between them, the directors hardly need to Above all, though, ConsGold Polist out that this philosophy precludes chasing after the whole range of banking serwas prepared to accept the risk observers would see its vices. If they do make the bank as the plaything of three whizz-kids manqué. This risked point a little too readily, it is embarrassing exposure if an excusable part of their things went wrong, but they did enthusiasm for the central

are profitable, then go for those 12 and leave the rest to Citibank and National Westminster. The management philosophy, We agree. Last year, we made 31 per cent return on capital by doing just that" Close's profits-£383,000 pretax in the year to last June certainly attest to the wisdom of the approach. As do the three main desk diaries in Close's City offices just off

Bishopsgate. The three executive directors travel busily across the country for much of their work. Peter Winkworth spends about onethird of his time away from ondon.

> The most typical client is the small, often family-run business headed by a middle-aged entrepreneur, says Peter Stone-and t would not be in textiles or shipping-related areas. They have not deliberately gone after specialist areas of the economy but business with the high technology sector has just developed its own momentum."

They will lend between E50,000 and £500,000, but about £150,000 is the most common loan size. They will offer advice on raising more money where necessary. They will assist new client is the same: how did

chairman of the Trade Development Bank. "He says if there always scouring for deposits. are 54 banking activities and 12

The market is huge, says Peter Stone. "We are dealing with companies that would not get more than a cough and a spit part from a City merchant bank unless they had paid a £20,000 retainer for starters." It all seems the perfect setting for their venture, even down to the rather puzzling lack of com-

More at stake

The explanation, though, is not so very obscure. Turning three business, law and accountancy careers into the basis of a successful bank is putting more at stake than three men in a boat with a dog and an unopened tin of pineapple. "A small bank is only as

good as its last job," acknowledges Peter Winkworth. " If we foul something up, there'll be no end to the story—we're just too easy a target." There are three effective ways

to limit the risk as far as possible_

The first is the family tree nature of Close's client list. The first question asked of every

Specialising in a profitable way (1 to r): Peter Winkworth, Roderick Kent and Peter Stone On this, they like to quote mergers or acquisition work - it hear of the bank? Almost Edmund Safra, the successful anything, in fact, with a sen- every client can be traced how sible appeal and a reasonable ever tormously, through con-fee attached. And they are tacts going back to the tiny client base of the early years." says Peter Stone. The result is a highly personal banking style which might just afford some protection against a future stip.

Repe

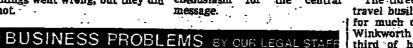
record and the second of the s

Second, and more importagt, are the professional safeguards against any mishap—not sur-prisingly emphasised by Close's own-directors before all else. "It's the blackball school of banking for us, says Wink-worth "If any one of us doesn't like the look of a borrower for any reason; we drop the idea."

Unanimity does not have to apply to all issues before the board, which has eight directors in all. But no board discussion has gone to a vote since 1975.
"It is always apparent by the

end of the discussion what we should do."

Finally, Close trusts for its survival to the cohesion of a management team. "with the same basic attitudes, back-ground and aspirations. Conceivably, this could engender a casual familiarity which might threaten their own high standards. To date however, it is the shared aspirations which have counted most. We all want to make some moneywe're not much interested in titles, rubber plants and office empires."



answer you gave in the reply

would also apply to a lost

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sent to the broker by the

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The basis of our reply in

respect of indemnity being re-

quired on the issue of a

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provisions of the Companies

Act 1948 and the Articles of

Association of the company.

Consequently there is not the

same cogency in an argument on

similar lines addressed to the

case of a lost unit trust certificate. Nevertheless, the

fact that a duplicate certificate

should be marked as such, and

that the Trust's register should

for the answers given in these

columns. All inquiries will be

by post as soon as

duplicate certificate.

risk?

rates

I have a lock-up warehouse used for storage only and not regularly staffed. We never received the bill for the rates and subsequently a summons was posted which we did not see until after the date for which it was set, so that I now have a judgment against me in my absence. The summons was sent in the ordinary course of post. Should not recorded delivery have been used? Should not the plaintiffs have been obliged to ensure that a notice of intention to issue the summons reached the defendant?

ordinary post effective. There is there being any risk of loss no need to give prior notice of 'arising out of the issue of a tention to issue a summons. No legal responsibility can be accepted by the Financial Times

indemnity

answered iems you replied to an enquiry about a Letter of Indemnity. Can you please tell me if the

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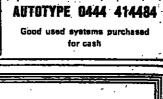
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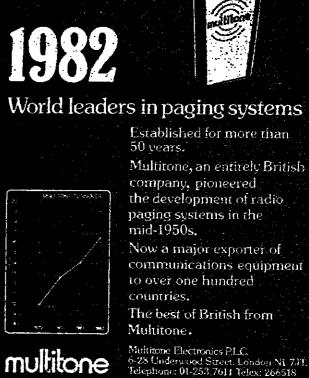


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SOCIEDADE NACIONAL DE REFINACAO DE PETROLEOS

SONAREP - S.A.R.L.

(Nationalised as per Order in Council Nr. 21/77 of 30th April 1977)

Convocation to the extraordinary general meeting of Sonarep of July 7th 1982

All the holders of shares Sonarep - Sociedade Nacional de Refinação de Petróleos Sarl, are invited to meet on July 7th 1982, at 10 a.m. at Société. Fiduciaire Suisse, 25, St. Jakobs-Strasse, Basle, Switzerland, with a view to considering the general situation of the interests of Sonarep and its shareholders, as well as to take decisions about our company Homegas (Proprietary) Ltd., regularisation of the social staff and / or possible election of a committee of liquidation, according to Art. No. 29 of the Articles of Sonarep and the corresponding mandate. Consideration of different questions.

The shareholders of Sonarep or their legal representatives will have to prove their identity in presenting an attestation declaring that their shares are deposited in a bank, with the mention of the number of shares.

The principal shareholder Finolco Co. Inc. The President

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10th June 1982

THE ARTS

Television

Antony Thorncroft

Could you repeat that please?

June 23 1982

DHER LOREN

No need to linger over a television report this week: between them repeats and the World Cup have just about squeezed any creativity out of the schedules. The one flash of imagination is the ability of ITV and BBC to dress up repeats as great treats-"The Best of British," they flourish, "Comedy Classics," too. Still it is more positive than declaring "Cheap time fillers to pacify smaller summer audiences" and at least there is no hardship at all in watching The Likely Lads again, or even The Good Life.

Repeats of programmes but a few years old manage to conjure up a gentle, lost world. They are a nice contrast to the World Cup which itself ominously looks like a repeat—of every other World Cup. One would only want to watch Peru play the Cameroons once every four years but it opens the eyes to other styles, other stars. And there is still a thrill every time Socrates gets the ball for Brazil. If only Plato and Aristotle were fully fit Brazil would have a midfield trio that would give the English attack something to think about.

Surfacing gently between the football and the nostalgia were a couple of plays, Chains from BBC 2 and Somethings got to give from Scottish, which were refreshingly similar. It seems that middle aged normal people are going to be popular with playrights for a few months, and although Chains, the story of ageing rockers trying to re-capture the Margate of 20 years ago, was made almost unwatchable by the anticipation of the inevitable disasters it had its conversational moments. Oddly concert— the scenes at Eddie's 40th party ing stuff.

were more painfully true than the escape on bikes to Margate and impending doom - in this case double dramatic irony. case double dramatic lrony. Wife Janine discovers men are rotters just before Eddle has his coronary. Michael Elphick and Geraldine James were excellent as the genuine working class and if Nicky Henson was rather

too good to be true as Tosh, the double destroyer, he has the physical presence to swagger through the part. Somethings got to give put forward the astonishing idea that there are nice respectable and industrious people living in Glasgow. This play opened with a secretary reading a copy of Annabel and then proceeded with a love story which might have made even the fiction editor of that soft boiled magazine hegitate to use. But oppose

zine hesitate to use. But once again Ian Charleson as the dour Ian was very credibly shocked by fast Ann's life story, and the sense of a couple fancying each other like mad while conversationally putting every foot wrong was well caught. But I hope I never see that "mad dash to the airport to tell her he loves her " ending again. Finally a chorus of praise for BBC's coverage of popular music last week. It has a winner with Pop Quiz, now, of course, in hibernation, which scores by covering a generation of popand thus enabling the whole family to join ip, and I never understand the criticism of Top of the Pops. At the moment is has its content just about right, much helped by those marvel lous promotional videos being put out by the groups. I par-ticularly like ABC's current effort and that of Bow wow wow. A programme devoted to such videos would be marvellous: I only hope their obvious cost does not bankrupt the record companies. Finally there have been two excellent concerts: The Old Grey Whistle Test,

Electric Phoenix/St. Barts

Dominic Gill

For ten days this week and next, one of the City's most extended beautiful churches, the Priory shaped Church of St Bartholomewithe economy, both gripping and Great in Smithfield, plays host genuinely funny (and an once more to a festival of 20thcentury music, newly revived posers in how to use "bor-(as many as three each day) make up an uncommonly enter. Phoenix's raison d'etre is the prising and eclectic list; from very risky business of commis-Debussy and Sorabji (a performance of the monumental, 3}hour long Opus Chwicembalis-ticum), and a 60th-birthday concert for Iannis Xenakis, to no less than 17 first (or first by younger or less-known composers. Londoners with a taste for something outside the common South Bank musical round are urged to investigate. Details from 01-637 9778.

The festival opened on Monday night with the only London appearance this season of the group of four amplified solo voices called Electric Phoenix This virtuoso ensemble have settled excellently well after their recent change of personnel: the delivery is clear and for the first time in this country just as well have been Gray's in its original version for five Elegy or a shopping list.

performers - tour de force of vocal techniques, object lesson for real comunder the auspices of the Park rowed " material: compose. It -yourself).

must be thanked for its recent

concert-wonderfully entertain-

sioning new works. There was no spectacular find among the three pieces they gave on this occasion. Both Pousseur's Cinquième vue sur les Jardins British) performances of works Interdits (pretty combinations of simple gestures) and John Buller's Kommos (short, effective drematic cantata on an Aeschylean theme) had the notable virtue of knowing their length exactly: both were short, and neither was a note too long. David Bedford's The Way of Truth, a 20-minute setting of Parmenides, could have benefited much from the same economy of manner: happy in many of its lighter inspirations, confident, and the technique but obsessively prolix in its once more of remarkable working. The text was interest-smoothness, precision and ing; but so far as any organic ing: but so far as any organic finesse. The evening's major link with the music was con-Luciano Berio's A-Ronne, given cerned. I suspect that it might

Design for Living/Greenwich

Michael Coveney

Noël Coward's 1933 comedy was; in some respects, obviously conceived as a vehicle for the playwright and his close friends. Lvnn Fontanne and Alfred Lunt. They all enjoyed a great success on Broadway with It. but it took six years to reach the London stage. Alan Strachan's very fine Greenwich production confirms the quality of the piece in the wake of Michael Blakemore's 1973 West End revival (which starred Vanessa Redgrave).

The central thesis, the celebration of promiscuity in lifestyle as well as love, was deeply shocking, at least to the Lord Chamberlain before the War, But what gives the play its rich fascination is the fact that promisculty is viewed as a necessary corollary to abiding friendship. And Coward's intense loyalty to his immediate circle was an immensely productive creative force in his work. Design For Living is set in Paris, London and New York and shows how bright, aristically

careerist ménage à trois copes

with the onset of success and the

outbreak of sexual passion.

Gilda is an interior decorator.

Leo a coming playwright and Otto a painter who finds his

niche in well-paid portraiture. Gilda sleeps with each man in turn before marrying a tedious, morally upright art dealer (subtly played by Roland Curram). Otto and Leo are abandoned by her, get drunk together and set off on a world tour. They return to New York to reclaim Gilda from the art dealer and a bevy of numbskull socialites. The cleverness of the play resides in its use of ostracism as a comic tactic: the amoral trio oust the representatives of respectability in a third act that is as brilliantly stylised and quirky as anything Coward wrote.

The production bonours this serious, still subversive dia-lectical thrust superbly. Maria series of beautiful costumes by Yuki—brings an added dimension of anxious doubt to the

ever, is the casting of Ian Ogilvy and Gary Bond as Leo and Otto. As a double act, they convey both Coward's ambivalent sexual message and a strong sense of spiritual camaraderie. The design of Finlay James opens out, in the last act, to reveal a beautiful art deco folly of steel and glass tantalisingly above hattan skyline. the



Maria Aitken and Gary Bond

An Aldeburgh Week

As the centre for an important memory that telescopes past acoustic. It was Bedford's susic festival Aldeburgh still festivals into a succession of account of the opening tutti music festival Aldeburgh still has a great deal going for it. In the Snape Maltings it possesses what is arguably the fines concert hall in the country, while the surrounding churches pro-vide wonderfully varied alternawhich I have long despaired of, tive venues; most important of came up trumps by repeating its Ry Cooder set (and could even do so again) and Central of place, the fusion of Suffolk pastoral with wild North Sea coast which finds in music-Kid Creole and the Coconuts making a most unlikely guest. Whether the festival stil has anything besides is less certain. It was inevitable that Britten's death in 1976 would deprive the events of much of their impulsion. A change of focus was imperative: no longer could Aldeburgh rely on the cosmopolitan stream of great performers lured to the festival by Britten, nor were there the

new works by the composer himself to provide compulsive novelties. Between a continuing reverence for Britten's achievement and radical innovation the festival was obliged to discover a new, distinctive character. It may be that the process of redefinition is still underway, A significant part of Electric fully-fledged artistic policy to be in operation. Yet Aldeburgh itself seems to have withdrawn its moral support; walking around the town during the first week of the festival it would have been quite easy to overlook the fact that a festival was taking place ther at all. There were a couple of exhibitions and a festival club, but the bulk of the town seemed quite indifferent to the event, as if it

> adn wine har, now just another stop on the coach-tour circuit. its regulars, the faces seen there every year for whom it is as much a reunion of friends as 19th-century sounding cadenzas an essential musical occasion; to provide the finishing touches, events were absolutely essen- mood and sounding marvel- drawn from the Joyce Book tial. Perhaps it is sentimental lously rich in the Maitings published by Oxfrd University

looking back it seems as though the emphasis is very much on long weekends, with the mid-week concerts less ambitious and smaller-scale.

The centre of attention in the first two days of the festival this year was Kent Opera's production of The Beggar's Opera, on which I reported last If it provided only a partially successful opening, concerts in the Maltings on the following two days gave pro-ceedings more glamour and

outstanding performances, but that set the tone for the Double Concerto, presenting it in stark, in its heyday Aldeburgh could dramatic terms that were provide excitement every day scarcely leavened by Rostropo-throughout the festival. Now vich's sweetly poetic touches or by the serene hymning of the Andante by both soloists. The ECO and Perahia

departed, events became much more low-key, and the focus switched away from the Maltings to Aldeburgh itself. A guitar recital by Carlos Bonell in Blythburgh Church, largely composed of unremarkable repertory pieces, and a latenight programme in Aldeburgh Parish Church by the Locrian Quartet were the relatively in-

Andrew Clements reports on a festival in search of a new identity

recital was a complete replica serenade concert by the Hil-of his Festival Hall programme, liard Ensemble sustained rday by Dominic Gill: But the English Chamber Orchestra's Sunday afternoon programme in the Maltings really did rekindle old memories; the ECO was conducted by Steuart Bedford, and the soloists were Isaac Stern

and Mstislav Rostropovich. Rostropovich is of course an Aldeburgh habitué, but his contribution to Brahms' Double Concerto was partially overshadowed by Stern, both in the found the whole thing was Brahms and in Mozart's A remote from the community, major violin concerto K.219. imported lock, stock and barrel. Stern's appearances these days Even at the Maltings itself the are so often hedged around festival concerts seemed a with insecurities that such con-peripheral part of its business, fident playing—the outer move-buried amid the craft shops ments of K.219 attacked with and art galleries, the tea shop enormous gusto, the central with insecurities that such con-

Mustray Perahia's substantial fare on one day, a anot gramme was delightful but upon a time prided itself on essentially lightweight, and it keeping abreast with British was a pity that the promised music. It's hard to believe British premiere of John nowadays that 15 years ago Buller's A la fontana del Aldeburgh staged the first pervergier failed to materialise. formances of Birtwistle's Punch The same group had previously and Judy; such enterprise would given Machaut's Messe de seem totally foreign there now, Notre Dame in a late night pro-gramme again in the parish church, complete with plainsong interpolations for the Feast of Blessed Assumption. It gave the wonderful poly-phony of Machaut's settings of the Ordinary of the mass a

and more authentic variegation. the only first performance of enormous gusto, the central the week came in a concert Museum of the Year, an annual Adagio sung in ample, silverytoned phrases—was delight—The Poet as Musician" in the trated London News and fully unexpected. It was Jubilee Hall on "Bloomsday" National Heritage and worth adn wine har, now just another adaglo sung in ample, suverystop on the coach-iour circuit.

Of course Aldeburgh still has its regulars, the faces seen certainly old-fashioned Mozart, itself, June 16, by Jane there every year for whom it is as much a reunion of friends as an essential musical occasion; leaved to provide the finishing touches, Olga Hegedus. The main item to the sun of the sun attendance, especially at the yet it accorded well with the in the programme was 10 set-Maltings in the first week this remainder of the concert, with the programme was 10 set-tings of Joyce by a variety of year, was excellent. But few the ECO in urgent, responsive composers, the majority of them

more comprehensive context

It was Bedford's Press in the 1920s. It presented an intriguing conspectus of largely neglected composers-Eugene Goessens, Bernard Van Dieren, C. W. Orr-alongside Bridge an dIreladn, Roussel and Sessions. The mismatch between the largely traditional aproach to word-setting and the ever-inventive approach to language of Joyces Pomes Penyeach gave the songs a teasing sometimes infuriating piquancy.

Buller's Two Night-pieces from " Finnegan's Wake" for soprano and chamber ensemble was a reminder of the latterday interest in Joyce, and part of the succession of works that Buller based on Finnega's Wake n the late 1960s and early '70s. The Night-pieces seem to me a partial success: wonderfully imagined sonorities in their opening pages, but degenerating too often for comfort into modern English expressionism as they progressed. The new work, Gordon Crosse's A Wake, was a tidy, small-scale essay for flute, clarinet, cello and piano, managing its changes of mood defity. Yet it seemed an inadequate representation of

Museum of the Year award won by Stoke

and more authentic variegation. The City Museum and Art In the absence of the Buller, Gallery in Stoke on Trent has been chosen as the 1982 £2,000 to the winning museum, plus a porcelain trophy sculpted by Henry Moore.

The Museum, only completed last year, has one of the largest and finest collecttions of ceramics in the world. There is also an emphasis on local

Der Freischutz/Covent Garden

Max Loppert

rich, and designer, Gunther Schneider-Siemssen, pictured a ruined landscape, very much in the aftermath of the 30 Years' War, all frazzled trees and gutted churches, that chimes uncomfortably with much of the music, if not the dramatic facts, of Weber's opera. The Wolf's Glen scene is elaborate but unclearly plotted—less luxurious stagings have evoked more (if necessarily not all) of the original Frisson. And, though toned down by staff producer Richard Gregson, Friedrich's way of setting his aristocrats a-mince and a-swagger in the final scene makes a not very interesting point in a heavy-handed fashion.

Yet the strengths of the cur-rent revival (which opened on

Monday) override most objections. The score revealed here a trove of sometimes buried treasure: the performance moved for most of its length with a relaxed flow that declared the presence in the pit of a native Weberian. Colin Davis balances lyrical grace and dramatic energy with easy mastery; in his care, the music glances forward to Berlioz and ishing of tension in the finale Gwynne Howell a less than fully dominating Hermit) probably needs no more than passing orchestral and choral prove no hardship.

The sets are peculiar—the imbalances (the chorus of original producers, Götz Fried-huntsmen sounding distinctive huntsmen sounding distinctly meagre). With the exception of Agathe.

Helena Döse, the cast is British

(and a variety of carefully schooled Anglo-German accents is therefore the order of the day). It offers no outstanding single element, of a Ludwig Weber or Lemnitz kind; but the impression of a happy all-round suitability is contradicted only by Miss Döse, whose natural vocal charm and creamy good looks are required to compensate for much willing but approximate vacalisation, notably in the two solos. Alberto Remedios (Max) and Donald McIntyre (Caspar, remembered from 1978, this time a late replacement for Siegfried Vogel) both refined their portrayals in their Sadler's Wells days. Both are still in powerful command of their roles-Remedios, a handsome Frans Hals figure, discovered after an

decessors. Kollo or Hofmann. The new Aennchen, Yvonne Kenny, is a success; so too Wagner, and backward to Roderick Kennedy's Cuno, Haydn, in a way that reaches to Philip Joll's Ottokar, and Jonathe essence of this pivotal than Summers' familiar Kilian. Romantic masterpiece. A diminneeded to occupy more of the Royal Opera's future than new productions, a diet of such as minor adjustment; likewise the Tito, and now Freischütz will

uneasy start a much more win-

ningly lyrical approach to his

music than either of his pre-

London Symphony Chorus

David Murray

the With sponsorship by Hogg Robinson Group, the London Symphony Chorus was collaborators. Their director Richard Hickox had the Royal Peter Franki for a Mozart piano concerto, and as soloists in Janacek's Glagolitic Mass Linda Esther Gray, Robert Tear, Della Jones and John Tomlinsonrich casting indeed, considering were dauntless, managing to

Yet it remained the Chorus's take their Czech (Old Slavonic, able; not this time.

stral hubbub.

to be exact) on trust, but a better choral performance of this music is hard to imagine. surrounded on Monday at the Hickox secured orchestral play-Festival Hall by first-class ing of matching conviction, collaborators. Their director with good sense made of the oddest swerves and hiatuses in Philharmonic (in their best the score, and remarkable form, as Brahms' Academic success with the fearful prob-Festival Overture proved imme- lems of balance. Ian Watson diately) at his disposal, and gave fine, rumbustious accounts of the interventions for full organ.

In Mozart's A major Concerto K. 488, Peter Frankl was particularly bright and imaginative -piano tone almost brittle how little the alto and bass have from time to time, but quite to do. Miss Gray and Mr Tear melting in the Andante (taken almost Adagio). He is patently project their passionate lines in love with the music-quite through the formidable orche-right too-and sheer committed tenderness justified a reading that was a long way from tasteconcert, simply because they ful routine. He and Hickox took the full weight of Jana- took the Finale at an unstinting cek's wild and marvellous score Presto, requiring some heroism without a single slip from from the bassoon, and yet con-grace. Clean attack, confident trived to throw fresh light on pitch, a big, burnished sound the episodes. Frankl's playing and enormous vitality: I had to sometimes seems over-comfort-

Royal Academy Appeal

Antony Thorncroft

At the same time it reported £420,000. that in two hectic months it had already gathered £1.86m towards ally embraced self-help in its target, including £250,000

company trust.

like the recent Great Japan

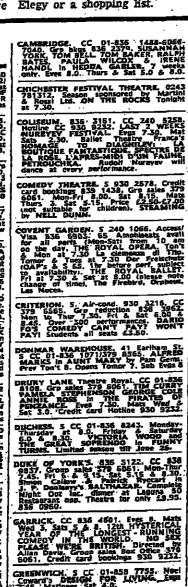
The Royal Academy yesterday show, can meet some of the risformally announced its appeal ing costs the Academy ended for £6m to secure its future. 1981 with an annual shortfall of

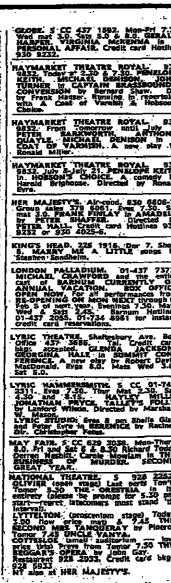
recent years and has almost from the Government and trebled its revenue in five years. £500,000 from an unidentified By selling off investments and company trust.

by the success of Great Japan
This is the Academy's first it is starting the Appeal with ever appeal for public support a clean slate so donations will in over two centuries of activity. not go towards an existing In recent years its financial posi- deficit. Instead the Academy tion has worsened-for example is looking for £4m as a capital routine overheads have in- sum for revenue support and creased from £50,000 in 1960 to endowment, on such things as over £700,000 last year — and student bursaries at its school, although successful exhibitions, and £2m to improve its build-

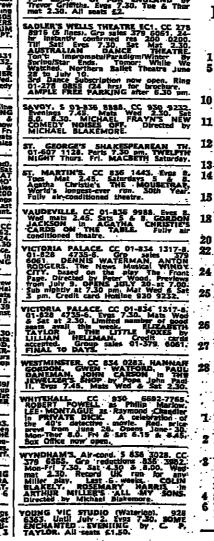
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by John Gay. 33. Credit Card bkgs [AJESTY'S.	ROYAL COURT, S CC 730 1745. Evgs 8.0. Sat mat 4.0 Men Eves 8 Sat- mat all seats 52. MGT QUITE Jack SALEM by Paul Kember, Nust and July 3



F.T. CROSSWORD PUZZLE No. 4,904

ACROSS

- 1 Delightful daily china (8) This reckless driver crashed through overheating and damaged wings (6)
 10 Robbery in Bracken House,
 say. What was taken? (5)
- Ravenous cry of poet, almost 12 PM not for a NE development (9)
 13 Unfit to spread paint (5)
 14 Forerunner of some other
- aldermen (6) 15 Top guitarist goes wrong on the road (7) Announcing appointment to
- job (7). Dirty mountain-pass (6) Coffee becoming tea after a little while (5) Domestic flight from Cassai

(ret.) (9)

· fluous Saint-Saens movement 26 He opened for England with 27 Longs for end of May and gains by Labour (6) 28 Charges fellow with appoint-

ments (8) DOWN

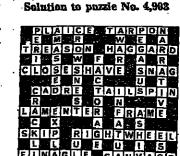
- 1 Lone walker on dry grass in the romantic east (6)2 Beer right to head? Unlikely mental condition! (9)
- 4 Sister-ship under orders? (7) 22 Conservative in Italian house
 6 Bearing advanced delivery —one in plot to overthrow terms? (8-7) militaria (15) -



7 Greek RDA girl like a rose?

8 Ghostly, weird particles having no nucleus (8)
9. Heats English airways? (6) 16 He can account for the form of hotly-tipped mounts (9) 17 Bond payments, for example

- (3-5) (3-0)
19 Well self-productive (6) Becoming somebody, per. 20 No live main? (4, 3)
haps, using one's TA 21 Stops giving comfort in Civil Service (6)



different characteristics. The Value Line Index is an

unweighted average of its tom-

ponent stocks, so the movement

in a small stock has as much impact as Exxon or General Motors Because of this, the index has acquired a reputation

for volatility which may be fine for speculators who like move-

ment has is less attractive to bedgers who need an index that

"tracks" the market well. Against this drawback, Kansas

City claims that its index has anticipated market movements

better than others. It fore shadowed the latest sharp drop

in share prices on May 7, about a week before it began.

The other two indices, the

NYSE and Standard and Poors

are weighted averages which are more representative of the market as a whole. Of the two

about twice the volume of the

NYSE. But while the Chicago Mercantile Exchange claims this proves its superiority other

exchanges have accused the

tract to generate volume artificially. The S and P does

however, enjoy the advantage of being the yardstick against

which most enstitutional port-folio managers measure their

between the exchanges for strentian is not just rivery but

a deadly matter of survival. The

a deadry matter of sixtywa. The aura of success is vital to a good contract. Once it goes, volume dwindles, liquidity dries to and pretty soon trading grands in a halt. Several financial intures have already died this way. While stock index futures may be referred.

be riding a boom now, each exchange is keenly aware that

only the fittest will survive. If the fate of other futures is any

thing to go by, one will emerge as a leader and attract all the

business. The others may only survive by finding a niche.

The bitter

Standard and Poors is trac

Telegrams: Finantimo, London PS4. Telest: 8954871 Telephone: 01-248 8000

Wednesday June 23 1982

Defence and the alliance

crisis. At one stage it was being ested that they would have to be rewritten in the light of gone ahead and published the original document, though with a covering note saying that there will be a further White Paper in a few months' time.

This was the right decision. In the first place it would be unwise to seek to recast British defence policy in response to one wholly unusual campaign, whatever the technical lessons to be absorbed. In the second place Mr John Nott, the Defence Secretary, evidently believes that he has a broadly coherent policy which is worth restating.

The document published yes terday is therefore very much a repetition of what was said last year. There is perhaps a slightly greater emphasis on the need for Britain to be able to take independent action if the country's interests are chal-lenged, though even that came out more clearly in Mr Nott's statement to the press than in the written estimates. The essential message remains much the same: the central threat comes from the growing military power of the Soviet Union and Britain must resist it as part of an alliance. The principal constraint is cost. Trident remains

Examination

There is, pace the right wing of the Conservative Party and the naval lobby, no reason to believe that Mr Nott actually enjoys cutting the number of surface ships. But it is a question of money. It is not clear that the alternative route of cutting the British Army on the Rhine would be cheaper and not clear at all that it would be politically or militarily more desirable. In seeking to preserve the forces on the central front we think that he has made the right choice.

Two other issues, however, bear further examination. The first is the business of the alliance. It is not self-evident that Nato is functioning very well. There is the matter of the costs.

PUBLICATION of this year's replication of effort: too many defence estimates was post-members having an army, a poned because of the Falklands navy and an air force, all with more or less general purposes. There is the parallel matter of too many members seeking to the lessons learned and would maintain a comprehensive not appear until the autumn. In armaments industry. It leads the event, the Government has to too small production runs and

weapons systems which are too expensive. All these questions have been on the Nato agenda for years. But if cost has become more than ever a constraint, it is time for the affiance to agree a measure of specialisa-There is no sign whatsoever that Mr Nott is seeking review of the way Nato works, yet it would be infinitely prefer-able if the pressure for reform were to come from Europe rather than the U.S.

Trident too is an alliance question, or ought to be. If the a British strategic nuclear weapons system enhances deterrence in Europe, the case for it would be greatly strengthened. But the evidence is lacking. Trident looks like a hankering after independence in an inter-dependent world.

Replacement

The other outstanding issue is the organisation of defence expenditure at home. Mr Noti claimed yesterday, in a note of triumph, that the replacement costs of the Falklands exercise including the new shipswill be borne by the Exchequer without prejudicing the 3 per cent increase in defence spending already agreed. That was said in public, probably in an attempt to pre-empt the Treasury.

In practice the battle over th replacement costs is only just beginning. There will be the usual conflicts over cost escalation and whether the 3 per cent means 3 per cent above the level of inflation or, given the tendency of defence costs to rise even faster, is meant to be a volume increase. Again this is not a new phenomenon: the suiping between Treasury and Defence Ministry goes back as manage its trillion (million long as anyone can remember. But if the Government wants better defences, it ought to pursue better ways of controlling

Tax distortions in housing

TWENTY years ago private in-dividuals held broadly the same proportion of their wealth in land and dwellings as they did in company securities.

By the mid-1970s, according to the Diamond Commission, they held twice as much in the form of land and dwellings and half as much in the form of securities.

Much of the explanation for this none too healthy change in the pattern of investment preferences of individuals lies in the quirks of the British tax system, which provides numerous reliefs on a wide and arbitrarily chosen range of assets and liabilities.

There is a growing consensus outside Westminster that home ownership enjoys more than its fair share of tax relief and that haphazard fiscal largesse is an important cause of the ineffi-ciency of the housing finance urban ghettoes. important cause of the ineffisystem in this country.

So much the better, then, that Shelter, the National Campaign for the Homeless, identifies this as a prime target for attack in a report on housing and the economy published this week. Its authors rightly argue that homelessness and bad

Exacerbated

Mortgage relief, which is expected to cost the Treasury nearly £2bn in the current financial year, is not the only tax subsidy enjoyed by home owners. Exemption from capital gains tax on the sale of houses had an estimated cost to the exchequer of £2.4bn in 1980-81. And it enjoys further privileges relative to other forms of investment, to the extent that house purchase does not attract tax on the imputed rental income on the house.

These subsidies are arguably inflationary. They are certainly inequitable, in that they direct financial assistance to many of those who are least in need. And the inequity has been exacerbated by inflation.

interest have, until recently, meant that depositors with proof asset on cheap borrow-

ceiling on mortgage relief; as Shelter's report points out, the average new mortgage was about £15,000 in 1981 and the average mortgage outstanding is around £8,000. All told, mortgage relief will be worth about £327 for the average mortgage holder this year. Public sector housing has

been similarly subsidised. The annual cost of exchequer and rate subsidies to council tenants in the current financial year is estimated at nearly £1bn, or £206 per household. But the subsidy has been declining in relation to reliefs on home ownership because of the sharp recent increases in council rents, which have given council tenants an added incentive to buy their home from the local authority. Moreover the temptation to exercise that right is

Investment

The biggest problems in housing, however, are concentrated in the private rented sector, which includes one in eight of all households. There, the tenant enjoys no direct housing will not be eradicated without a fundamental reform of housing finance.

subsidy. The landlord, meanwhith are the subsidy of the system of fair rents which are supposed, quite illogically, to take no account of scarcity.

> The result is that rents are depressed. And while land-lords continue to enjoy substantial realised or paper capital profits in the private rented sector, less cash is available for repairs and maintenance as long as they are forced to provide the tenant with an income subsidy. Small wonder there is virtually no new investment in

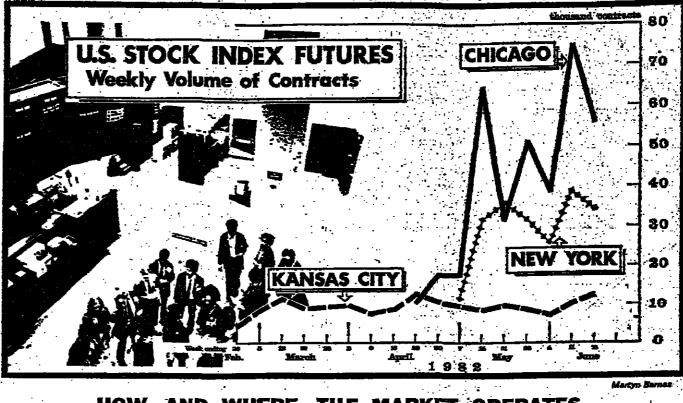
private rented accommodation. Much of the responsibility for the housing finance muddle rests with politicians, both Conservative and Labour, who have for too long courted would be home owners with taxpayers' money. It is important that the government should resist the temptation to raise the £25,000 ceiling on mortgage relief before the Negative real rates of next election, which would

simply increase the muddle. Shelter puts a cogent case for building societies, who include a more neutral tax stance, many of the less well off, have which would have the advantage effectively been subsidising of increasing the tax base as those who bought an inflation well as reducing the distortion between housing and other forms of investment. It is a case These inequities are not to which politicians in all parties much mitigated by the £25,000 should give serious attention.

U.S. STOCK INDEX FUTURES

A new hedge for investors

By David Lascelles in New York



HOW-AND WHERE-THE MARKET OPERATES transport and industrials this summer. Volume 5-8,000 con-

STOCK INDEX futures provide investors in the stock market with a way to hedge against movements in share prices, or simply speculate on where the market is heading. They are traded in the form of contracts to deliver the value of a set package of shares, usually the components of a

RE THEY 2 "white collar numbers game " or

a valuable hedging tool

index futures are still

in today's volatile markets?"

Four months after they were America's new-fangled

snared in controversy as these

two viewpoints uttered at concressional hearings earlier

this month show. But someone must like them. Since their

obscure beginnings on the Kansas City Board of Trade in

February, two more exchanges, in New York and Chicago, have

joined in and a fourth will

change hands, and hardly a week

goes by without a new trading

Stock index futures were

bound to be controversial

because they add a new and

potentially vast dimension to

futures

itself still a source of mystery

and unease to many people. But

the promoters of stock index

futures expect they will not

only gain acceptance but evolve into the biggest financial

Financial futures give

individuals or businesses exposed to financial markets a

way to hedge against unfavour-able movements by taking positions on the opposite side

of the market. If they do it

right, they can hope to make profits that will offset at least

part of their losses if the under-lying market goes the wrong

way. Because traders usually

need to put up only 10 per cent of a contract's value, whereas

they must put up 50 per cent to buy shares outright, they

also attract a lot of speculative

In the 1970s, contracts for

interest rates and currencies became firmly established and

are now spreading to London.

But putting together contracts

for equities took longer for regulatory and technical

The big question about financial futures is always

whether they will harm the

underlying market Futures in

memories of episodes like the

Hunt silver crisis die hard. The

U.S. Treasury and the Federal

Reserve, for example, have

interest rate futures would

been

million) dollar debt.

do not have an

record.

wornied

trading

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reasons.

futures instrument of all.

record being set.

shortly. Every day,

20,000 contracts now

already fast-moving

industry,

agreed future date.
The value of the contract. which may be traded in the futures market, fluctuates with changes in the index. An investor who fears share prices will decline "shorts" or sells a contract, hoping to be able to buy it back later at a lower price and pocket the

An investor who wants to protect himself against a rise in prices (for example if he is due to receive funds in a month's time but expects the market to strengthen before then) buys a contract in the hope of being able to sell it at a profit later on. The advantages of trading

the market through futures rather than directly are higher leverage, lower comns and opportunity to speculate on the course of the market as a whole. The U.S. authorities have

approved five stock index futures contracts, only three of which have begun trading:

• Kansas City Board of Trade. the ploneer, traded its first contract in February based on the Value Line Index of 1,700 stocks. Trading volume is about 2,000 contracts daily.

Mercantile

Exchange began trading on April 21. Its contract is based on Standard and Poors 500 (400 industrials plus atilities, transport and financials). Volume 15-20,000 a day. New York futures exchange opened May 6. Its con-tract is based on the New York Stock Exchange composite index of 1,525 stocks. It wants to start trading sub-indices in utilities, financials,

would actually encourage invest-

ment in stocks by allowing

people to offload some of the

risk. He even suggested they

would lure money out of gamble

ing. Mr Shad, a former Wall

Street investment banker, is a

keen free-marketeer, and while

he does not regulate futures, he

responsible for ensuring

Chicago

tracts a day.

Chicage Board of Trade wants to trade a contract based on the Dow Jones average of 30 industrials, the best known U.S. index. But Dow Jones does not want its name associated with stock index futures and has taken

legal action to block the move. The board also wants to trade sub-indices.

 New York Commodity Exchange also wants to trade a contract based on the S and P 500 but is facing a legal challenge from Standard and Poors which has granted rights to the CME.

The evolution of stock molex cial press, on which Americans The evolution of stock index futures is still at an entry stage, however. The principal weakness of all the Contracts launched so late is that the hedging opportunities they effer are all too broad. Few portfolios have 1,500 sticks in them, and most investors want to protect themselves against a rely heavily for opinion about innovations, has been generally The Wall Street Journal has denounced the gambling aspect. Forbes reminded its readers in a recent issue that futures are a "zero sum game": one man's profit is. protect themselves against a drop in a handful of stocks, not another man's loss. In the stock market, by contrast, equity can increase to everyone's benefit. the market as a whole

Recognising this, some exchanges are planning "sub-indices," using a selected group of stock in readily identifiable sectors. The New York Exchange his applied for permission to trade sub-indices in utilities, financial companies, transport and industrials.

The futures industry is also looking ahead to the opening of trading in options on financial stock index futures and options delivery and brought enormous per cent need take the plunge investors even more leverage and their effects on capital profits to those who had for trading to soar. Non-dealer and flexibility to specificate formation. It is impossible to cornered the market. But no participation is already strong hadge in the contract. market. There is even a pro-Down on the exchange floors posal for an "index value conand along Wall Street, the talk tract," which neither expires is less about the rights and nor is deliverable. The sceptics, wrongs of stock index futures who doubt that the market ton to crack down on stock than which are best, and how needs all these weird and index futures. But the publicity they should be traded. wonderful things, are still the hearings got reinforced. Of the three which now have stratching their heads over that

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in the Standard and Poors Index, let alone the 1,525 shares in the NYSE Index. So the contracts have been designed to deliver the equivalent cash value instead, multiplied by \$500 to beef them up.

This immediately sets them apart from the rest of the financial futures market, because it means people can trade them in the expectation of pure cash profit on delivery, rather than to obtain securities or currency. This has triggered worries that distort the bond market and the stock index futures market impair the Treasury's ability to will become a speculative binge rather than a tool for bona fide One of the most widely-

But stock index futures posed extra problems over what is known as "delivery". All futures be they commodities or publicised objections to stock index futures is that they are a date. In the case of interest mings in filthy lucre rather than stock index futures and options rates it is so many Treasury wholesome stocks and shares.

so on. But stock index futures, whose But stock index futures, whose that new contracts also serve aged and highly complex instruction is also small. It is less about the rights and nor is value is determined by widely an economic purpose, such as ment such as a future or an is less about the rights and nor is less about the rights a

chairman of the Securities and Exchange Commission, said they and they gave the go-shead last winter. However

ingers on and it received a good airing on Capitol Hill earlier this month at the House Energy and Commerce Committee. Conmen picked up the gamb ling theme but also expi fears that futures would entice investors away from the stock market with its promise of quick, highly leveraged profits. This would inject more instability into the markets when the U.S. least needed it, they said (shares were heading for a twoyear low even as they spoke). Moreover, it would impair the capital-raising process, and through it the revitalisation of American business.

in currencies so many dollars' for a market because it provides overstate the danger to investor one can corner the cash market, they claim, worth of sterling. D-Marks and liquidity. U.S. futures regula- protection and market stability Provided the stock indices have Down on tions require exchanges to prove that is posed by a highly lever-

Officials from the Commodity Futures Trading Commission, which does regulate stock index futures directly, also voiced

their support. -They point out, among other things, that cash delivery makes much harder for manipulators futures be they commodities or thinly disguised form of the correctly which way the stock underlying asset at an agreed market goes collects his win-

a broad enough base, the danger

orderly trading in the stock But the exchanges are undaunted. They firmly believe that stock index futures will flourish not just because investors need a way to protect themselves in these turbulent times, but because the number of potential participants is so huge. While only a few hundred thousand people or institutions will ever use interest rate or currency futures, the number of shareholders is over 30m. Only 10

Men &/ Matters



For further information, The Rioja Wine Information Centre, 140 Cromwell Road, London SW7 4HA.

Men & Matters

Oliver returns for more

So the fox with red socks has done it again. Sir Oliver Wright, Britain's new man in Washington, from September, first made his mark with the Tories. He was Lord Home's principal private secretary at the Foreign Office, crossing Downing Street with him in 1963. But Wright stayed on in Number 10 when Sir Harold Wilson took over. And the plus points he then scored with Labour caused Jim Callaghan to decide in 1975 that he was just the man to represent one social democrat government to another as Ambassador in Bonn.

Now Wright has been plucked from retirement to represent one bastion of conser-vatism in another. And for the second time, the man he re-Henderson.

languor and steel made him a media triumph in the fast and better." loose early days of the Falk. So says Howard Head, and lands crisis. Wright is a more florid personality—large and great deal of money. In 1969, craggy faced, bushy eyebrowed, mixing bonhomic and acquired an aluminium ski the Old Fox. He is also remem-

Ireland, which should be useful with the four U.S. Irish horsemen who have been duction he staged; both he end existing equipment.

Parsons, Britain's man at the stable model and managed to mind? Not only was he good at calming matters in the Security Council, but his succinct, relaxed despatches were just what the Inner Cabinet wanted

But the crisis made him determined to retire. So he will. The next front runners were Sir Michael Palliser, who retired as Permanent Under Secretary at the Foreign Office with the Falklands crashing around his ears, and was taken on as adviser to the Cabinet Office, and Hugh Thomas, the historian who started out a socialist and is now a high Tory. But Wright was the person who proved to have friends his socks.

Sir Nicholas Head start

Wright's style is very differ- "I'm an impatient guy. ent. Henderson's mixture of something irritates me, I like to design something that works

a slightly unnerving laugh. He business which he had deveis not a social diplomat, but a loped. Since then, he has political one. Which is why in designed and developed the Bonn he had the nickname of Prince tennis racket—the one with the oversize face—which bered there for his bright red in the space of a few years has socks and flashy shirts.

He has done all sorts of the U.S. market. Now that things in his 61 years—Royal Navy; dealt with Northern Cheesebrough-Pond, and Head's cheesebrough-Pond, and Head's share of the proceeds could be worth around \$37m.

Head, who is 67, 6 ft 4 in whipping up the Republican tall, and shaves his scalp every cause; economics; South Africa morning, explains that his two and Berlin. But what he is best sporting creations came about remembered for in West Ger- because he was unhappy with many is an Oscar Wilde pro- his own performance with

His conventional tennis Wright hardly featured in racket kept twisting in his nand again in April and this time he the ante-post betting on the when he hacked at the ball, so accepted.

Washington Stakes Sir Anthony he designed a bigger and more What made him change his

United Nations, was offered and get it patented. The result a said. accepted the post. Everything company which expects to he did during the Falkiands generate sales of \$60m in 1982, crisis strengthened his claims. compared with just \$9.4m in compared with just \$9.4m in

Apart from skiing and tennis. Head is also keen on snorkeling, but he has no plans for any startling innovations in that hobby. Instead, he will remain with Prince in what he des-cribes as a fatherly consulting

He has firm ideas about what that will involve. "My job is to keep the company stirred up, and rake out its ashes," he says somewhat threateningly.

Major miner

Norman Siddall, first mining engineer ever to get the top job. was At Home to the Press yesterday in Hobart House, the National Coal Board's gloomy headquarters on the fringes of London's smart Belgravia. Most of his predecessors

were men whose livelihoods had depended on having a way with words: Sir Derek Ezra was a marketing man. Lord Robens a politician and Sir Hubert Holdsworth was a barrister who became known as the "miners' KC." The first NCB chairman, Lord Hyndley, had been a mine owner and only James Bowman, chairman from 1956 to 1960, started out as a miner. Siddall, who is 64, has been appointed for a year only, has

a good deal of the down-toearth directness so often associated with engineers. He was clearly none too pleased at finding himself described as a stop-gap / temporary / short-term chairman in yesterday's newspapers and he revealed that he had first been asked to take on the job at the end of last year. He had been ill at the time-after a heart operation-and he turned the offer down. But he was approached

"I got better," Siddall

Warne off

One of the first lobs that John Warne did at the Office of Fair Trading in 1979 was to negotiate with the accountancy profes-sion over the relevation of restrictions on accountants' adver-

tising.
"They weren't especially difficult negotiations," Warner recalls, "and I'm pleased to see that the new rules are now in operation." Particularly since he will soon be administering them from the other side of the fence. Warne, who is 55, will shortly

join the Institute of Chantered Accountants in England and Wales as its secretary-designate, taking over fully at the beginning of next year. Warne is not an accountant. His whole career has been spent

in the Civil Service, latterly as deputy to Sir Gordon Borrie, director-general of fair trading. "But it would be difficult to spend so many years in Whitehall without coming to grasp some of the problems and pressures facing the accountacy profession," he says. His main job will be to en-

sure that the Institute continues to function smoothly while its members wrangle over such thorny issues as current-cost accounting.

Jam today

"Just as well we get twice as much now for standing still," my taxi driver remarked to a fellow cabbie as we waited squashed in one of London's interminable jams yesterday.

Apparently, when tary fares went up yet again a few weeks ago, the charge for waiting time rocketed up from under £3 an hour to about £6—thus ensuring that taxl drivers sid not stay at home during this

Observer

OVERSEAS STUDENTS

The cost and benefit to Britain | A contest about power,

By Malcolm Rutherford

A DEBATE is going on around the field of higher education which unirrors the wider debate in the country about how far Britain should play a national or an international role, It concerus overseas students.

^{line} 23 ₁₉₈₂

The number of overseas students receiving higher edu-cation in Britain in 1979-80 was 83,500. In 1980-81 it was just over 73,000. The provisional estimate for 1981-82 is around 82,000.

The evidence suggests that the decline is the direct result of the policies of successive governments. These policies were designed to save relatively small sums of money and—to put it generously—were perhaps touched by a fear that overseas students might be crowding out the British. The real question is whether the decline matters: but first, a little bit of the history.

Overseas students used to pay the same fees as home students. Then, in the mid-1960s, the Labour Government introduced a differential making the overseas students pay more. The measure had little effect, however, because inflation and the veakness of the pound meant that the real cost of the overseas tuition fees soon began to fall again. Thus the number of overseas students continued

In the mid-1970s, a new Labour Government had another go. Not only did it raise the fees again; it also sought to limit the numbers by introducing quotas on the overseas share of the student population. To be fair, that was at a time when it was widely believed that the number of home students seeking higher education would go on growing—a quite different climate from today. There might just have been something in the crowding out

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Yet the idea that whenever a government wanted to make savings in public expenditure it could charge more to the overseas students seems to have become entrenched in the Whitehall machine. The Con-servative Government elected in 1979 almost immediately increased the fees again and went on to introduce what are known as full-cost fees in 1980; that

means no more subsidies. This time the measures have begun to work, as the figures above suggest. The tangible henefits to the Exchequer of for higher education. the move to full-cost fees are . A similar tie seems to have Britain seems to have fallen scholarship, research cannot



1982-83 prices. But what about In 1980-81 Malaysia came top of the intangibles?

For a start we should dismiss, least remain cautious about, the steel mill theory. The theory goes that it pays to educate overseas students in Britain because sooner or later they will go home, become the only major sending country Minister of Planning, Chief for which Britain is the princi-Undersecretary or whatever, pal host.) and order a steel mill from this country.

It is remarkable how many British industrialists seem to believe this, but there is no hard case remains unproven either

Steel mills are probably sold either on merit or on credit. Yet there are other reasons why it might be wise to encourage overseas students to come.

One is an obligation from the past which it would be blind to overlook. In the days of Empire. Britain deliberately modelled the institutions of its overseas possessions on its own. Some of those now independent countries still look to Britain today, perhaps especially in education. This is true even more of the

smaller countries. The British, for example, never built a university in Cyprus. Thus some Cypriots still tend to look to the UK as the natural place to go

the list in supplying 16.3 per cent of all overseas students in Britain. Its present Government has reacted harshly to the rise in fees, and in that case there may be some trace of a trade effect. (Malaysia is incidentally,

Joint second on the list were Hong Kong and Iran, each with 8.7 per cent. Next was Nigeria with 7.1 per cent. None of those are areas which should be lightly neglected. For even if the steel mill pheory is invalid. there is something to be said for having people in those countries who know Britain and people here who know

It is not as if there is no competition. Britain is by no means the largest recipient of overseas students. There are no up to date figures, but in 1978 the league table was beaded by the U.S., followed by France, the Soviet Union, the UK, West Germany and Egypt. By now. West Germany has almost certainly overtaken the UK.

and Germany are those that matter since their population sizes are similar to the British. In this, as in so much else, that

put at around £170m a year at been developed with Malaya, behind. The reason is not in this case that it costs a lot of quite small.

Yet Britain has certain advantages which could be exploited. One is language. English is, if ultimately by courtesy of the Americans, the language of the world. (What a different place Britain would he if the U.S. had chosen to speak German or French!) Students want to come here because they have already learned it and will continue to need it.

They also seem to admire the British educational institutions, and not just for the teaching of medieval history. The most sought after courses are in engineering and technology, science, social administration and business studies, subjects on which the British do not automatically pride themselves. In 1979-80 engineering and technology accounted for over 30 per cent of overseas students

Again, this admiration should not be lightly dismissed. The country should play on the virtues it is considered to have. The comparisons with France Cultural and educational policy are part of foreign policy, or

at British universities.

Not least, there is the point advanced education.

have international bound aries. Imagine a student of economics who reads only British economists. In this sense, the mix of home and overseas may be working; in 1980-31 overseas, students 1980-31 overseas students accounted for 36 per cent of all postgraduate students in British universities.

The Overseas Student Trust has just published a study*, from which most of the above figures are taken, putting for-ward a comprehensive policy for the future.

It is not the best study in the world since it relies rather heavily on the steel mill theory. But what it says is that for £35m a year, of which only £15m would be new money. considerably more overseas students could be enabled to come to Britain.

It proposes an awards system to which all the government departments involved—Trade, Education and Science and the Overseas Development Administration-would contribute. It precisely that sort of coordination between the various departments that has been lacking in the past.

The money would come largely out of a reallocation of existing budgets, some of it from overseas aid. Some of the richer governments which most depend on Britain for overseas education, such as Hong Kong. would be asked to contribute. The full-cost system for over-seas students would remain and universities would set their fees according to their economic circumstances.

The Foreign Office is sympathetic and indeed had a hand in the making of the report, though whether that is a recommendation in today's chimate is another matter. It is not clear whether anything will be done about it. Yet the most important point

is this. It is a questron of what kind of people the British want to be: insular or international. Having overseas students who want to come here to learn is both a tribute and a benefit, even of the latter cannot be quantified British higher education would be intellectually poorer without them. So ultimately would British society. We also need them to teach us. * A Policy for Overseas Students, Published by the Overseas Student Trust, 14 Denbigh Street, London SW1. £5 (plus £2 'poet and packeging),

SDP leadership

not policies

By Peter Riddell, Political Editor

THE CONTEST for the leader- if proportional representation servative, as well as former ship of the Social Democratic is introduced a four-party Labour, voters which are needed Party is curiously old-fashioned. for all the novelty in British for the formation of necessary politics of a one-member-one coalitions. To him, the essence vote election for a party leader. There are no daily opinion polls predicting the result, nor is there any scope for intensive canvassing of MPs or trade union leaders.

In short, no one knows who will win — Mr Roy Jenkins or Dr David Owen. SDP MPs and pundits may believe that the was three months ago because of Dr Owen's prominent role in the Falklands crisis. But they can only guess how the party's 65,000 members will vote.

The campaigning consists of heavyweight articles and speeches — and the occasional television interview — without any razzmatazz (no "Roy for King or The Doctor Knows Best buttons). The contest, which lasts until the end of next week, is none the less vigorous as the initial pious pledges about no public campaigning have been dropped. And the supporters of each candidate believe passionately

that it matters who wins for the future direction of the party. Dr Owen himself has summed up the choice. In an article in Alliance " magazine, he has and even of radicalism. nature of the relationship with the Liberal Party."

The contest is really about attitudes to power, not policies. Mr Jenkins has argued for close links between the SDP and the Liberals, operating jointly as an Alliance with a single leader. He has even hinted at even closer ties, if they are wished, after the next election. The Jenkinsite case is essentially that there is room for a three-party system, not a

Dr Owen stresses the separate appeal of the Liberals.

system would provide flexibility for the formation of necessary of the Alliance is in showing that two parties can work

These theoretical arguments (in the sense used by Victorian novelists) with Mr David Steel, the Liberal leader, that if Mr Jenkins became SDP leader he would also become leader of the Alliance, since at 62 he is much the older and more experienced man. But this would not apply if Dr Own, who at 43 is roughly Mr Steel's age, won. It is argued that the Liberals would not accept that their leader should be subordinate to Dr

The Jenkinsites argue that the election of their candidate is

Labour's continuing problems show that the SDP leadership is still a job worth fighting for

therefore essential to the future said that "the differences are harmony of the Alliance which more of generation and style, would be damaged by Dr Owen's One can make far too much of victory. The Jenkinsites also distinctions of Left and Right, dispute the view of some of Dr Owen's supporters that there area of possible difference is the could be two separate leaders emphasis we might give to the until after the next election. They also reject the idea of an Alliance leaders who is not the leader of one of the two parties (say Mr Jenkins if he loses) and they argue there must be a joint leader who is the Prime Minister candidate. The Owenite reply is that their man knows the Liberal Party well from his West Country background and has worked closely with Mr Steel at Westminster.

an assessment of personalities. The Jenkinsites argue that their candidate has unrivalled argues that a blurring of identi- dominate the next election. They

At heart, the outcome lies in

Labour, voters which are needed if the Alliance is to make a breakthrough between a declining Labour Party and a recovering Tory Party.

His weaknesses are apparent remoteness and laziare related to the personal posi-ness, though when roused he tions of the candidate. There has can be extremely impressive, as always been an understanding in the Warrington and Hillhead by-elections. Mr Jenkins has also failed to re-establish him-self forcefully at Westminster in the admittedly difficult circumstances of the Falklands ctisis.

Dr Owen's supporters maintain that what is needed is a man of energy and singlemindedness, as well as a proven record, who is young enough for the long haul required to establish the SDP and to provide the party with a fresh and "radical" approach. His weaknesses are an apparent arrogance and the fierce antagonism which he arouses among some people who have worked for him both when ne was Foreign Secretary and in the SDP.

The views of the party's memrs are largely unknown, Some SDP leaders believe that Mr Jenkins appeals to an older generation, those who have been with him in the battles over attracted the support of the vast majority of the first group of MPs who broke away from Labour early last year, though the party's 30 MPs as a whole split broadly down the middle. Dr Owen possibly appeals more to former Labour activists, including MPs who have joined recently, and those who regard Labour as bankrupt of ideas and are looking for a "radical" approach to

The bookies and the Westminster odds still favour Mr Jenkins, just, If Mr Jenkins loses, he will not have another chance. But if Dr Owen loses this time, he will have succeeded in placing himself well ahead both Mrs Williams and Mr Bill Rodgers for the future. identity of the SDP within the experience at the top and is the Whoever wins has a demanding Alliance, distinct from the right man to tackle the economic task of reviving the party after He arguments that are likely to its recent electoral setbacks. But ties would narrow the appeal of say he has the breadth of show that the SDP leadership is both parties. He believes that appeal to attract former Con-still a job worth fighting for.

Letters to the Editor

Don't turn your backs on accounting for inflation

From the Finance Director, Imperial Chemical Industries

Sir,-Like most of us, I am critical of one aspect or another Alan Clements. of the various attempts to account for inflation, including SSAP16 (current cost account- From Mr E. Whiting. ing). Nevertheless, I read with concern some of the arguments withdrawal of this provisional

In particular, those who say that CCA has done and will do nothing to help companies manage their businesses better are exaggerating. ICI has had a strong array of management accounting tools and a strong cash flow awareness for many years. Despite this, both ex-perienced management accountants and many business managers have learned a lot about the relative strengths and weak-nesses of our businesses since we introduced CCA internally. They have also been prompted to try to react more quickly to the impact of cost increases.

Historic profit reports on their own, even with variance analysis, etc, were misleadingly reassuring in weaker busises. The absolute measure was inadequate. Some alternative is clearly needed, and while there are problems with CCA as it stands, it is clearly a very useful additional measure

for business purposes. Despite not having a direct accounting background myself, would be astonished if the members of the leading body country took a giant step back- long-life assets, such as a rail-

wards by voting to withdraw way or reservoir, the exercise is this experimental standard totally meaningless.

Imperial Chemical House, Millbank SWL

Sir,-I have followed with great interest the excellent currently being put for the letters on current cost accountletters on current cost account to window-dressing and has ing published over the last nothing to do with current cost. three weeks.

One important point, however, seems to have been omitted. CCA is simply an unrelated ragbag of adjustments to historic cost accounting. There are four separate adjustments: cost of sales; depreciation; monetary working capital; and gearing— placed in their order of useful-

The cost of sales adjustment serves to charge materials etc. consumed against profit at the price of the material when it consumed, rather than when it was bought. Except for companies using basic com-modities or foods with seasonal prices, this method sensible and is widely adopted in management accounts which attempt to measure divisional performance.

The extra depreciation of CCA requires, as well as an estimate of asset life, an estimate of replacement cost and a choice of depreciation system (fixed instalment / reducing balance/revival of assets fully depreciated). For short-life assets such as vehicles, the estimates are not too difficult to among those responsible for make, and the result is credible accounting standards in this and useful; for most high cost make, and the result is credible

the EEC

The monetary working capital 'adjustment lacks a clear defini-tion of "monetary" and "working capital." The possibilities are endless in the treatment of and cash balances. creditors of a capital nature, ated trade unions to the TUC's the indices to be used, seasonal. fluctuations, etc. It is wide open

"the end." It is illogical, conceptually unsound an appor-tionment of the other adjustments to which it is not

in any way related. For management accounting only about one-and-a-half of the adjustments are relevant. For management decisions neither historic cost nor the CCA adjusted version is likely to be very relevant — the main factor should be the future opportunity costs arising from the decision. There are dif-ferent costs for different purposes. No one set of costs is "right" for all.

The American approach seems to have been the most sensible. Under their Federal Accounting Standard No. 33, summarised income statements, for large companies, are shown on a current purchasing power and on a current cost basis (excluding our MWCA and gearing adjustment) with a separate figure for "gain from decline in purchasing power of net amounts owed." You pays your money and you takes you choice! Why not here? Edwin Whiting. Monchester Business School,

Booth Street West,

Trade unions and

general council.

referendum.
Mr Lloyd erroneously believes The gearing adjustment is that because few unions replied

> Nothing could be further from the truth. The majority of unions recognise that the TUC policy as determined at last year's conference is the correct one, particularly in the light of recent debacle Britain suffered at the hands of its EEC partners with regard to budget repayments and agricultural

> Reporting documents out of context is a very misleading journalistic practice. I do sincerely hope that your readerswill understand the determination of the TUC to campaign for the withdrawal of the United Kingdom from the EEC. This position is also in line with the policy of the Labour Party. Alan Sapper,

Association of Cinematograph, TV and Allied Technicians, 2 Soho Square, W1.

Points of vie₩

Sir.-The Financial Times

Margaret Cooper. Home Farmkouse, Oxton, Notts.

Sir,-The headline to Elinor

Andrew Faulds. House of Commons,

offices

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It must be the Peterborough

The Lloyd's

From Mr J. Burrows Lloyd's currently before a House of Lords Committee, needs to be

underwriter free to act on his own judgement, and without

conflict of interest. I have recently written to of insurance. trace, and I have had over one hundred replies so far, agreeing considering the existing single placing the society "above the Copyhold Bury, Pulborough, electorate should be main law" in its dealing with the West Sussex.

tained so that all underwriting Lloyd's community. A members of the society, having cratically elected council would as they do, identical interest, ensure that its authority is recan continue to nominate and Bill, vote for those underwriting members who are to serve on

gives Lloyd's the power and society should not be exempt if it means I would have to confidence it needs to control from liability in damages at resign so be it? councience it needs to control the suit of members of the Simple amendments to the the broker and leave the active the suit of members of the Simple amendments to the underwriter free to act on his Lloyd's community, and that Bill now, as its stands, to delete such protection as Lloyd's may require should be by policies one vote system, but by postal

bers, whose addresses I could this would remove the fear and surely be enacted to provide a worry as to the consequences of strong self-regulated society of their decisions, made in good Lloyd's for the future. the need for the new Bill, but faith without the precedent of J. D. Burrows.

ensure that its authority is re-The need for objectionable

classification as an external lost.

A petition prepared by non-working members, which I was asked to present, provided for divestment and this is now contained in the current Bill. This gives Lloyd's the power and

> immunity and retain a one man ballot, should receive the sup-For a responsible council port of all. The Bill could then

From the Chairman, Trades Union Congress.

Sir,-I read with some astonishment account (June 14) of a report to be considered by the TUC general council. The report concerns the attitude of affilipolicy of withdrawal from the Common Market without a

to a circular seeking informatowards' favouring continuing membership of the EEC.

From Mrs M. Cooper

General Secretary

appears to be the only British newspaper which has con-sistently reported the Folklands issue with lotal integrity and intelligence, and the fact that you print criticism of such coverage (June 18) merely sup-

Not left-wing rebels

From Mr A. Faulds MP Goodman's piece, "Four left-wing rebels lose front beach jobs" (May 25) was totally erroneous. To describe me and and Tam Dalyell as "left-wing" shows a surprising unawareness of the facts of life in the House

Hargreaves recovers and lifts dividend

REFLECTING AN improved performance in virtually every division, pre-tax profits of the Hargreaves Group showed more than a full recovery to a regord the year's total up from £12.5m £4.27m in the year ended to a record £21.7m. Turnover was March 31 1982. This compares up from £98m to £190 98m with £2.52m for 1980-81—which the dividend to characterise. with £1.52m for 1980-81—which included an exceptional profit of £1.03m on the sale of fixed assets—and exceeds the previous best result of £4.11m achieved in 1979-80.

The dividend is partially restored from 2.75p to 3.6p, with a final of 2p net per 20p share. Turnover of the group was up from £219.19m to £245.9m. The pre-tax profit—which included a turnround from losses of £213,750 to profits of £679,512 by the associate companies—was struck after depreciation of £3.93m (£3.51m), and interest of £354,626 (£622,831).

An analysis of the pre-tax profit shows (figures in £000s); energy—solid and liquid fuel processing and distribution and fuel products £1.223 (£1.165); environment and construction materials—quarrying (£101): waste disposal £15.55 (£9); construction materials £588 (£131); civil engineering nU (£210 loss); transport shipping services—road tanker transport and shipping services £783 (£296): commercial vehicle distribution loss £154 (£178): fertiliser manufacture and distribution £538 (£289 loss).

After providing for tax of £1.21m (£622.616), the net profit ame through at £3 06m (£1.9m). Minorities losses amounted to £20,664 (£51,992) and there was an extraordinary debit of £526,316 (£52,173), being goodwill on acquisition.

Earnings per share are stated at 8.8p (5.6p) and net assets are given at \$4.3p (83.5p).

Hargreaves has regained lost ground with a return to 1980's pre-tax profit and considerably better performances in road transport, quarrying, waste disposal and concrete. Quarrying received a fillip from extra road repairs caused by the severe winter weather and profits were up 71.8 per cent. Waste disposal expanded into Scotland and concrete products continue to selfwell. But much of the construction aggregates business is with public sector civil engineering projects and a run down here could inhibit future growth. The group operates in low margin areas particularly for the bulk of its turnover-distributing cil and coal. Commercial vehicle hadly with further losses, but the shares bounced up 6p to close at 60p where they yield S.S per cent. indicating some

CHARTERHALL

Burnett & Hallamshire boosts profits by 74%

A JUMP of 74 per cent in pre-tax profits is reported by Burnett and Hallamshire Holdings, the fast expanding mining, oil and property group, for the year ended March 31 1982.

In time with the directors' interim forecast of further sub-stantial growth profits in the second six months were shead from 18.45m to \$15.97m taking

The dividend to shareholders is boosted from 11.25p to 14p, with a final of 7.5p on capital enlarged by acquisition issues. Air George Heisby, the chair-man, reports the the profit mix between the divisions has been maintained in accordance with group policy, with about one half of earnings coming from mining activities and the remainder from oil and property.

Total expenditure during the cost of for the year comes inrough at gran, not including the cost of for the year comes inrough at acquisitions, amounted to some fil4.13m (fil107m), giving earn-disruption from the severe fil3m. This included from which mass per share of 116p (113.2p), winter which was immediately followed by the rail strike. Total expenditure during the

construction in Pennsylvania, not due for completion until July. He states that the search for He states that the search for appropriate commercial opportunities on a world-wide basis, has to a large extent been completed. Mr Helsby says it is unlikely that the intensity of the previous acquisition policy needs to be repeated "This view is supported by the potential reflected in the balance sheet, the removal of the various delays and minor setbacks of the previous year, the establishment of international operations and firm indications of national economic indications of national economic

recovery."

The chairman is predicting further substantial growth through the realisation of the potential of its expanded resources in the current year and beyond.

After providing for a heavier tax charge of £7.09m (£1.38m) and minorities of £474.000 (£8.000) the attributable balance for the year comes through at £14.13m (£11.07m), giving earnbeyond.

the chairman says that mining adversely affected operating produced another highly satisfactory performance which Progress in exploration and UK, Inaugural profits from North America, and the further estab-lishment of major international projects in the Philippines, Colombia, Chile and South Africa, all of which augur well for the future

Mr Helsby says that a disappointing result from the division was consistent with the national situation in the industry. Further market regression was accompanied by pressure on margins in order to sustain market share.

for the future.

Arising out of aggressive marketing and the impact of several acquistions, sales volume increased over last year several contrary to the industry trend. Despite this achievement and bility of group buying arrange-

production in North America was satisfactory and was repre-

sented by certain minor invest-ments which should produce adequate profit in the coming The property division pro-

duced excellent results across its entire area of operation. The most noteworthy was in Cali-fornia where a solid platform of profitability has been estab-lished says the chairman. A number of strategic acquisi-tions were made during the year

which have either strengthened UK presence in coal and oil or provided for further penetration into various overseas markets in coal, oil and property through local representation or alterna-tively by way of exports from the country of operation, says Mr

DEALINGS in the shares of Oil-

field Inspection Services, an international oil services group.

The company is engaged in

non-destructive testing, inspec-

tion and heat treatment services for the oil and gas industries.

It also develops and manufac-

Of the 1.55m shares placed,

667,000 are new shares. The

stake in the company. Technical

working capital, research and

development and expansion

obtained a £2.6m contract for the supply of specially designed

equipment for the gas pipeline which will link the Yamal fields

of Siberia to Western Europe,

tract to the company is uncertain but the directors state: "In

tial benefit to the group."

The company has recently

Singapore.

the shares.

overseas.

movement over last year's posi-tion," says the chairman.

He explains that the increase in gearing has arisen from the acquisition of certain companies with relatively high borrowings, particularly Rand London Cor-poration but also and from the purchase of assets and minority interests which will facilitate continued commercial and profit expansion in the medium term. The balance sheet therefore, con-tains assets, the earning power of which had not been fully reflected in the year's results,

comment:

Burnett and Hailamshire's profits have gone one way in the last year while its share price has gone the other. Despite Helsby.

Capital employed has risen substantially from £50m to £114m below their price a year ago due in the main to the impact of acquisitions during the year.

Oilfield Inspection for USM

Gearing has increased to just fuel for its rapid-fire acquisition below 50 per cent which policy. Nonetheless, 40 per cent although remaining at a comfortable level shows considerable advance is from its underlying advance is from its underlying businesses and so far, earnings per share have not been eroded despite a 37 per cent increase in the number of B and H shares on the market. Still, the Rand London acquisition has been a disappointment. It appears to be headed for a loss due to technical problems plus the weakness in the international coal trade. The purchase also dumped some £16m of debt on B and H's balance sheet so capital gearing is now up to 50 per cent. The chairman is deterper cent. The chairman is deter-mined to make Rand's assets sweat; an axe is hanging over those bits which look unlikely to comply. The company says its pace of acquisitions is slow ing and it now aims to pull more out of what it has got Optimists are looking for £30m pre-tax this year but this pre-sumes some recovery in the world coal business. The improved dividend gives a yield

Hambros net profit falls to £15.4m

PROFITS after tax of Hambros. the banking and insurance group, fell from £23.2m to £15.4m in the year ended March 31 1982, after extraordinary credits down from £4.7m to £1.8m.

The dividend per 5p share 15 increased from 4.5p to 5.275p net, with a final of 3.75p.

The profit of the banking com-

net, with a final of 3.75p.

The profit of the banking companies, after transfer to inner reserves, increased from £1.2m to £4.6m but this was before an exceptional loss of £15.9m on shipping debts which has been covered by a transfer from inner reserves. The directors state that the

exceptional loss reflects the sub-stantial further fall in tanker values and the agreement reached on the bank's long standing Norwegian shipping loans. The transfer from reserves has The transfer from reserves has been made good by new banking capital and increased reserves.

Other operating profits of the group are shown to be down from £4.7m to £200,000 net of minorities, while the dividends received from Hambro Life increased from £4.3m to £5.1m. The contribution from associates the contribution from associates the follower at £1.9m (£2.1m) and was lower at £1.9m (£2.1m) and gains on portfolio investments were down from £3.2m to £1.8m. Disclosed earnings before exceptional loss was 11.1p (14.4p), before investment gains and extraordinary items and

14.4p (21.8p) after. The directors report that Hambros Gas and Oil U.S. (39 per cent owned) has participated in drilling 115 wells in the Anadarko and Permian basins with 75 per cent of known results indicating commercial

Revenues have commenced but carrying costs of oil and gas investments overall exceed income this year. However, these investments should produce sub-

stantial future benefits, The total of disclosed shareholders funds increased by £8.7m to £123.4m after transferring £5m to banking inner reserves. An unrealised surplus of £87m, net of tax, also exists in the market value over the balance sheet carrying value of the investment in Hambro Life

Assurance. See Lex

NO PROBE

The Secretary of State for to the Monopolies Commission

Leisure Inds. well on target

Industries Group were well on target at £576,000 for the year to March 31 1982 and compare with a forecast of not less than £540,000 made in the prospectus when the company was seeking a listing on the Unlisted Securities Market. Profits for 1980-81 otalled £482,000.

The directors say the group is experiencing a "greater than ever" demand for many of its products—they include snooker and pool tables as well as toys— and add that plans for 1983-84 are taking firm shape and that new categories of products are scheduled to be introduced at

the end of the current year. In unticipation of further growth the group is investing in management, buildings and new machinery: Turnover for the year rose

from £4.49m to £5.46m. Tax took £152.000, against £159.000. There

TAXABLE PROFITS of Leisure ment of £159,000 on a property thoustries Group were well on target at £576,000 for the year to March 31 1982 and compare with dealings in the company's shares that there is a range of snooker tablest: it will be largely sourced.

forecast. In the prospectus the directors said that 5p would have been paid if the company had heen traded on the USM for a

comment

So far so good but what happens stone for the future will ally be. Clues are as folactually be. lows: it will be a "sports" rather tax p/e of under 11 and yield than "leisure" product; some (taking a full-year pay-out of were extraordinary debits of thing which has an existing 5p) of 5.5 per cent is firmly £197,000 (nil) being an adjust-market but not catered for in placed.

Stated carnings per 25p share improved from 16.15p to 21.2p and the dividend is 25p share manufacture and assembly: it will appeal to a wide age group and both sexes and will need limited capital up front from LIG. It is not electronic and will not be a toy. Guesses on a postcard please. Whatever it is, the impact will be limited this year. Costs of £30.000 or so could trim profits in 1982-83 but the selling season will not next at Leisure Industries start till 183.84. Meantime LIG Group. A new product range is still riding high on the is on the way, something that snooker "boom." That shows will provide a fresh growth no sign of abating yet and clearly for 1981, the company curve when snooker hits a the current year has got off to film at the pre-tax level. plateau. But investors are left a good start. If employee levels guessing as to what this founda- are any indication they have come up from 230 to 330 in the last six months. At 131p a fully

Further Hazlewood acquisitions

expanding pickles and sauces director of Hazlewood. group, yesterday announced two more acquisitions for a total of

It has agreed with Imperial Fonds to buy the Selby, York-shire factory of Imperial's HP Foods subsidiary together with certain plant and equipment for

Hazlewood will retain the 280strong workforce of the factory which makes the Epicure range of pickles and HP sauce. HP will continue to market and distribute the output of the Selby

fast said Mr Dennis Jones, finance some of its own pickle activities to Selby. Earlier this month, it announced pre-tax profits in the year ended March 42 per cent higher at £1.42m on sales

In April it bought soft drinks bottling and packaging capacity from the receivers of Slack and Cox following the purchase of Manor Vinegar Brewery in April

Hazlewood also announced the purchase of Kanes Fond cuarternati completed its This means we can use our fand and factory premises at acquisition of the purchase of experience in the production end 55 per cent of General Oil on of pickles while HP uses its June 21 1982.

This means we can use our fand and factory premises at factory prem

Hazlewood expects to transfer shares to finance the two deals. issued ordinary capital. Its shares rose 6p to 242p.

purchase have been placed. Perrett has undertaken not to 57 per cent up at £18.84m. dispose of about half of its allotment for 12 months. balance is being placed.

Kanes, with a value of £134,900. days after publication Kanes' audited accounts for the sideration will be reduced pro The ultimate value of the con-

(taking a full-year pay-out of

Shares issued to fund the lip The

The shares issued to acquire will not be allotted until seven

DIVIDENDS ANNOUNCED

are expected to begin on the USM on Monday. Some 1.55m ordinary shares of the company have been placed at 150p, representing 22 per cent of its share capital. raising £2.33m and valuing the company at £10.6m. The five-year profit record shows that sales have advanced from £2.7m in 1977 to £10.4m in 1981. Pre-tax profits in 1977 were £330,000. They increased somewhat in 1978 but OIS dropped into a loss in 1979. However, there was a pick up in 1980 and for 1981, the company showed if m at the pre-tax level. The five-year profit record shows that sales have advanced from £2.7m in 1977 to £10.4m in 1977 to £10.4m in 1977 to £10.4m in 1981. The increased somewhat in 1978 but OIS dropped into a loss in 1979. However, there was a pick up in 1980 and for 1981, the company showed if m at the pre-tax level. The five-year profit record shows that sales have advanced from £2.7m in 1977 to £10.4m in 1977 to £10.4m in 1977 to £10.4m in 1977 to £10.4m in 1981. However, there was a pick up in 1980 and for 1981, the company showed if m at the pre-tax level. The five-year profit record shows that sales have advanced from £2.7m in 1977 to £10.4m in 1978 to £10.		international oil services group.	DITIDL.	(IV)	willia	7014C			
senting 22 per cent of its share capital. raising £2.33m and valuing the company at £10.6m. The five-year profit record shows that sales have advanced from £2.7m in 1977 to £10.4m in 1981. Pre-tax profits in 1977 were £330,000. They increased somewhat in 1978 but OIS dropped into a loss in 1979. However, there was a pick up in 1980 and for 1981, the company showed £1m at the pre-tax level. Sunneit & Hallamshire 17.5 Aug. 6 6.4 14 11.25 Oct. 1 1.33 4 2.66 Aug. 12 6.6 11 10 Sept. 10 1.4 — 3.85 Sept. 2 — 2.31 Sept. 2 — 2.31 Aug. 9 3.58 5.32 5.32 Aug. 9 3.58 5.32 5.32 Aug. 9 3.58 5.32 5.32 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3.65 Aug. 10 7.5 — 3		USM on Monday. Some 1.55m ordinary shares of the company			of	sponding	for	last	
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Shows that sales have advanced from £2.7m in 1977 to £10.4m in 1978 to £10.4m in 1981. Pre-tax profits in 1977 were £330,000. They increased somewhat in 1978 but OIS dropped into a loss in 1979. However, there was a pick up in 1980 and for 1981, the company showed £1m at the pre-tax level. Sept. 17 Se	į		Countryside Propsint.	1.54	Sept. 10	1.4	— .		
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for 1981, the company showed Jermyn inv			Japan Assets Tst	§0.1	. July 30			_	
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An FAUN 135 187 125 175 188			Leisure Industries‡	2.5	Oct. 1	_		-	
		The company is especial in	Lep Group	13.5	Oct. 1	12.5	17.5	16.5	

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. I USM Stock. Special non-recurring payment. For seven months to Sept-

tures equipment for these activi-ties. OIS is based in Great Yarmouth, Norfolk, but has operations in Scotland, the Middle East, Australia and that there have been reports size. Still the bulk of its sales, some 62 per cent, come from the North Sea where prospects of cutbacks in orders for pro-duction platforms for the UK sector of the North Sea. Nonetheless, it claims this is not indicative of the market for the group's services worldwide.

balance was sold by four direc-tors and East of Scotland Onshore an investment company Existing installations require which will retain a 21.4 per cent increasing maintenance and regular inspection. Plans are at Development Capital also holds an advanced stage for the cona 24.1 per cent share of the struction of a number of new company. The four directors will onshore and offshore pipelines to retain a total of 30.3 per cent of exploit the reserves of oil and gas that have already been dis-The placing will raise £860,000 covered around the world," the for the company which will be applied towards increasing

company states. Although no forecast is given for the current year the company reports that business in the first five months of 1982 was "substantially" higher than for the same period of 1981. The outlook for the year remains encouraging, it says, even without benefits of the Yamal con-

spite of the uncertainties arising from the sale of equipment for

use in an unfamiliar market. After various delays, OIS has the contract will be of substan- finally made its debut. The com-The company acknowledges experience in the oil services that the price of oil is still business and is well spread below the level of late 1980 and geographically for a group of its

tain progress is the current year.

The group's industrial divisions, all of which are UK based,

had uneven performances. At Elfab-Hughes, manufacturer of

bursting discs and allied process safety equipment, profits show

The recession in the European

copper foil industry has eased but final results at the copper

foil division were very disap-pointing. In order to achieve

a division of optimum size, the

group has initiated further expansion which will enable it to take

advantage of any opportunities presented by an upturn in the

market. Current studies indicate

more buoyant conditions there-

after.
Looking to the future, the

penetration was increased.

remain a share for the bold. At the placing price of 150p, the fully-taxed historic p/e is 19 Trade has decided not to refer and the prospective yield on the the proposed acquisition of forecast dividend of 2.1p is 2 Bemrose Corporation by Bunzi per cent.

are no longer rosy.

intent on further diversification,

but for the moment it has to

This advertisement is issued in compliance with the requirements of

Brokers to the company are

the Council of The Stock Exchange.



services aroup pic (Incorporated in Scotland under Companies Act 1948 to 1976. Registered in Scotland, No. 62145)

SHARE CAPITAL

Authorised £1,800,000

issued and now being issued fully paid

in 9,000,000 Ordinary Shares of 20p each

£1,413,400

In connection with a placing by Phillips & Drew of 1,550,000 shares at 150p per share, application has been made for permission to deal in the Unlisted Securities Market on The Stock Exchange in the Ordinary shares of 20p each, it is emphasised that no application has been made for these securities to be admitted to listing. Shares have been offered to and are available through the Market.

Particulars relating to the Company are available in the Extel Unlisted Securities Market Service and copies of such particulars may be obtained during normal business hours on any weekday (Bank Holidays and Saturdays excepted) up to and including 7th July 1982 from:-

> PHILLIPS & DREW Members of The Stock Exchange Lee House, London Wall, London EC2Y 5AP.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB

1981-82
High Low Company Price Change
120 129 Ass. Brit. Ind. Crd. 120
130 100 Ass. Brit. Ind. Crd. 128 —
75 62 Airspring 70 —
51 33 Armitage & Rhodes 43 —
220 187 Sardon Hill 220 + 1
108 100 CCL 11pc Conv. Pref. 109 —
265 240 Cindico Group 265 —
104 60 Deborsh Servicas 60 —
131 37 Frank Horsell 129 — 1
83 39 Frederick Parker 74 —
78 46 George Blair 53 — 1
102 23 Ind. Precision Castings 97 — 1
110 100 Isis Conv. Pref. 107xd + 1
113 94 Jackson Group 108 —
130 108 James Burrough 114 —
133 230 Robert Jenkins 230 —
134 230 Robert Jenkins 230 —
154 Jorday & Carlisle 155 —
164 10 Twinlock Ord. 184 —
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Prices now aveilable tip Pressel pag

Last year was very tough. Just look how many of the world's important economies were in recession.

Yer it was the 15th successive year of growth in sales, profits and earnings for BTR.

That's very good for our shareholders but the special value of our efforts lies in the extra contribution we make to the good of the country as a whole.



BTR plc Silvertown House Vincent Square London SW1P 2PL 01-8343848

Torday & Carlisle falls by 14.6% at year end A POOR performance in the UK marine engineering subsidiaries but much improved overseas had a successful year, but real had a successful year, but real efforts will be needed to main-

results are reported by Torday & Carlisle. For 1981 pre-tax profits fell by 14.6 per cent to £688,017, while turnover rose by over 10 per cent to £14.45m.

As a result of the merger with Lockwood & Carlisle in late 1981, comparison with previous years is difficult. Figures for 1980 have been restated for comparative reasons.

Dr L. Torday, the chairman, reports that following the merger, the group is now enjoying an asset base in excess of £8.9m with a strong balance sheet showing a modest gearing of 8:1. Much remains to be done in consolidating the new group but useful progress has already been

an increase in demand for copper foil towards the end of 1983 and A final dividend of 4p net per 10p share is recommended—at the time of the merger a final of not less than 3.5p per share was forecast. The company's shares are traded on the market made by M. J. H. Nightingale & chairman says the group's marine engineering business is now the largest of its kind with the

Tax for the year was £130,942 (£103,677) giving a net balance of £557,075 (£768,656). Stated earnings per share were 9.1p lower at 22.3p.

Lep makes

progress in

second half

A SECOND-HALF pick up enabled the Lep Group, international freight forwarder, to finish 1961 with pre-tax profits ahead at £5.15m, against £5.03m previously. Turnover climbed from £61.8m to £77.12m.

At half time, the company reported taxable profits down from £3.45m to £2.29m but said

it expected second-half results to show some improvement over the same period of 1980.

The final dividend is raised by 1p to 13.5p net for an increased total payment of 17.5p (16.5p). Stated earnings per 10p share were 51p (42p) on a mil basis

attributable surplus showed a

reduction from £2.98m £2.51m

greatest geographical spread in the world. This is an asset which we must mobilise by investment in opportunities and The chairman says the group's

Midland Bank

York. Its last branch in the cry closed in 1978.

Mr John Harris, chief executive of Midland Bank International said yesterday that the new branch would help Midland "enhance its present services to and 36n (42p) on a net basis. its inter of £118,000 (£50,000), the customers."

he in operation by the end of the

reopens branch in New York

new products as they occur," he

Midland Bank, the UK clearing bank, is re-opening its branch in New York as part of its plans to develop its interest in the U.S. Midland, which last year bought a 54 per cent stake in the San Francisco-based Crocker National Bank, was given permission yesterday by the U.S. Comptroller of the Currency to re-establish a branch in New York. Its last branch in the city closed in 1978.

international corporate The new branch is expected to

THE TRING HALL USM INDEX 125.9 (-0,1) Close of business 22/6/82 Tel: 01-633 1501 BASE DATE 10/11/80 100

LADBROKE INDEX Close 555-560 (+4).

Telephone 01-621 1212

· June 23 198

AND COMPANY PLC

Investing—and making Progress

The Chairman's Report for the year ended 27th February 1982.

In my statement last year, I said that for the previous six months we had been experiencing the most difficult trading conditions that any of us could remember. It is taking longer than most people expected for the world and for Britain to emerge from the recession, and our policy during the past year has been geared to the need to be cost-effective in a market where over-capacity in the industry has added to the problems caused by the recession.

battle against inflation has been, it is the right policy to continue to fight against it. Winning this battle will give us the ability to pay our way in the world, and therefore provide a better future for Britain. The brewing industry, like everybody else, thrives in a prosperous community.

I remain an optimist, and I believe the tide has started to turn, but it is barely flowing yet in the right direction. We have got a long and hard task trading, this year and next, to ensure that our future improves.

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PROBE

This year's profits, although the result of great efforts by everyone in the Company to do what is necessary and a bit more, have, in fact, not kept pace with inflation. In the current year, I hope that we can achieve a result that matches inflation or passes it. In that way, we shall be achieving real profits and growth.

Turnover for the year increased by 7.6% but we achieved a growth rate in profit before tax of 10.2%. This was almost within reach of inflation, which for our financial year averaged 11.7%. To accomplish this result and continue the implementation of our planned investment programme required very careful cash flow management. Our success in is the core of our business. Threethis activity is evidenced by the contribution of more than £4 million to

profit by reduced interest costs. The importance of self-generated rates needs no emphasis, and I am

I believe that, however painful the almost 21/2 times the rate of inflation. This increase has been a significant factor in the recent decline in the industry national beer volume.

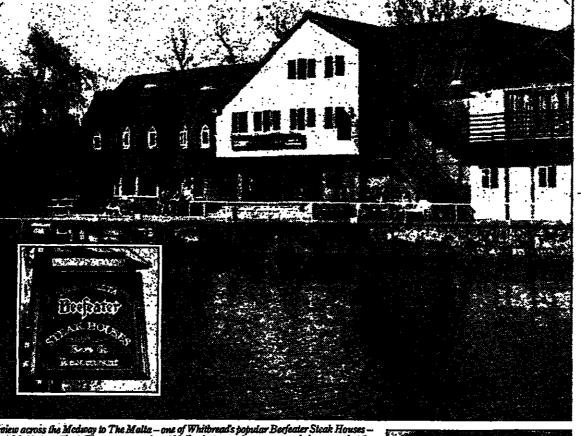
Companies Act 1980

On the 1st February 1982 the Company was re-registered as a public company, pursuant to the Companies Act 1980, under the name Whitbread and Company, Public Limited Company (abbreviated to Whithread and Company,

Your Directors consider it appropriate to seek shareholders' approval of two resolutions which relate to the Companies Act 1980 and a resolution to adopt a new set of Articles of Association. These proposals are more fully described in the separate letter to shareholders which accompanies this Report, and which sets out the three resolutions which will comprise the special business of the Annual General Meeting.

UK Business

I need hardly tell you that the UK quarters of the Company's assets are m our public houses; equally important are our human assets, our licensees, both tenants and manacash flow in a time of high interest gers. Even during the recession, good pubs, skilfully modernised,



A view across the Medway to The Malta — one of Whitbread's popular Beefeater Steak Houses —
near Maidstone, Kent. There are more than 100 Beefeaters and new ones are being opened at the
rate of one a week. More of Whitbread's total investment, some £77m during the year, is being put
into maintaining and refurbishing pubs, as well as new catering developments.

your Company. We have had to cut our production to reflect a diminished market, and slim down our manpower, which, sadly, has involved closures and redundancies. We have tried to do this as humanely as we can, by giving reasonable notice, the best terms we can afford, counselling and

up to being in the right shape for as a continuing problem into the the '80s and, to that end, we have future, as many are forecasting it undertaken a programme of re- will be. It is vital that we continue to organisation that we believe is strive to find a strategy for industry essential for the future prosperity of which is acceptable to government and to the trades unions, and which improves the employment and investment situation, for only through such an agreed strategy can we create the necessary wealth to pay for the social benefits we all want to receive in the form of education, health services and pensions.

Ales and Lagers

I think the strength of our exten-sive product range has been demonstrated by brands such as Trophy, Heineken, Stella Artois, Mackeson, Gold Label and Kaltenberg Diat Pils, all of which maintained their position in the market. At the same time our local beers, such as Welsh Bitter, Chesters, Flowers, Castle Eden Bitter, Pompey Royal, Fremlins, Wethereds and others, all did well.

Wines and Spirits

During the year, Threshers have opened 15 new stores. They have participated in the very successful launch of the Stowells of Chelsea Wine Box, with sales of over 2 million 3-litre boxes. More recently, Threshers have introduced a new fine blend of Scotch whisky under the Braemar label.

Britannia Soft Drinks

The merger of our soft drinks interests with Bass PLC has now been in operation for 18 months, and is trading strongly with such well-known brands as Canada Dry, Rawlings and R Whites. The year has also seen developments of new products, particularly the successful launch of 11/2-litre sizes of lemonade and cola. We are confident of the future of this enterprise.

International

Our overseas earnings are at present heavily influenced by the state of the Scotch whisky market, which is going through hard times. However, in this difficult market, sales of Long John overseas have exceeded those of last year. This year, Long John International recorded their best ever trading pro-

.fit figures. I am particularly pleased to be able to report the worthwhile con-

Safeways and smaller shops and stores for local traders. We have opened the Squash and Recreation Club, which is a joint venture, and seems to be prospering.

I mentioned the development of

the Porter Tun Room, for receptions, conferences and the banqueting market, in my Report last year, and the operation has continued to grow. We have opened additional facilities in the Cellars – known as Smeaton's Vaults and the James Watt Room – and are in the process of developing further space in the old Sugar Room. All these facilities are available for public hire. I hope that our shareholders in particular will make use of them, and commend them, should they have the opportunity to do so.

Sponsorship

The past year saw the third running of the Whithread Round The World Race - an event that we have put on every four years. I think that there is no doubt that this Race now has world recognition as the "Blue

We thank them all for their years of devoted service to the Company, and wish them long and happy retirement.

I would also like to thank everyone in the Company, including many older and long-serving members who retired early, for what they have achieved for Whitbread this year. We have a first class team to face the challenge of the future.

Shareholders

The loyal support of our shareholders is vital to the Company, and in the past we have tried to reward them with a good record of dividend growth. In addition, we are making the experiment this year of offering them a more tangible and immediate reward.

With the Accounts is a sheet containing vouchers for: a free bottle of house wine, given when two adult meals are paid for, on

production of the voucher at any

Beefeater Steak House, and (2) a discount on a Stowells' Wine Box purchased at any Thresher's

FIVE YEAR RECORD £841.7 Turnover (m) £782.1 £73.2 Profit before Tax (m) £66.4 £43.5 1979 1982

Riband" of deep water sailing events.

It is run by the Royal Naval Sailing Association, and this year attracted some thirty entries. It was won, for the second time in succession, by Cornelis van Rietschoten with his boat Flyer, who received both the handicap and line honours prizes from HRH The Duke of Edinburgh at the prizegiving in the Porter Tim

It has been our policy over many years to try to associate our name with the most prestigious events in their particular field, and I am satisfied that the Whitbread Round The World Race, together with the Whitbread Trophy at the Badminton Three Day Event, and the Whitbread Gold Cup at Sandown Park, come into that category, and successfully promote the name of the Company, both in this country and around the world.

Whitbread People

Andrew McQuillan, our finance director since 1973, retired in April this year. We are very grateful to him for all he has done for the Company, particularly on the financial side of the Chiswell Street development. In his place we welcome Liouel Ross, who has come to us from Cavenham Foods:

Harold Jenkins retired as an executive director in April 1982, and will leave the main board on the 1st October after 47 years with the Company on the commercial side.

Bill Knight retired as an executive director at the end of May, and will retire from the board at the AGM after a distinguished career over 34 vears on the brewing and technical side of Whitbread and of the brewing industry, both in this country and in the Common Market.

We hope our shareholders will enjoy using them, and will continue to buy the Company's products, and recommend them to their friends.

The Pub and the Future

In our trading efforts, we are very conscious that we can only succeed in partnership with our retailers. They, too, have had a difficult year of rising prices and less spending money in the publics pocket. Some of them, in the inner cities, have had to face extra problems and real danger which, I am proud to say, they have overcome with their usual courage and resource.

The pub is an integral part of the British heritage, and has been fundamental to the growth of local community life. With the accelerating changes in social structure and behaviour, the pub must continue to evolve to serve the tastes and demands of new generations as well as present customers. But even in an age of mass mobility the pub plays an important role in providing a stabilising influence in the local community. It is, therefore, vital that licensees, brewers and government should work together to ensure that the public house's unique standards of friendly relaxation and social responsibility will still be emoyed in the years ahead.

As I write this statement, we are all hoping for a speedy and successful outcome in the Falkland Islands. And, with the slight signs of improvement in the economy which we are now experiencing, I am confident that Whitbread can look forward in time to better conditions in which to trade, both at home and abroad. I am also confident that your Company and its people are ready and able to take full advantage of any such improvement.

CHARLES TIDBURY, Chairman

OUR RESULTS Year to 27th February 1982 Year to 28.2.81 782,148 841,726 Turnover 73.188 66,388 **Profit before taxation** 18,610 **Ordinary dividends** 16,885 42,699 27,955 Retained in the business 14.4p 15.1p **Earnings per share** 4.5p Dividend per share **Dividend** cover 29

pleased to say that our total investment of some £77 million during the year was entirely funded by this means - even to the extent of providing an improvement in our liquid position of almost £5 million over the previous balance sheet.

Added value per full-time employee

In recommending a final dividend of 3.4 pence per share, we are recognising the need to provide a realistic return to our shareholders on their capital. This is an increase of 0.33 pence per share on the final dividend of last year, and raises the total ordinary dividends for the year

Taxation and Beer Volumes

The brewing industry naturally expects to pay its share through duty and tax. Our view may not, of course, be regarded as impartial but it is the general opinion in the brewing industry amongst wholesalers and retailers that beer is currently over-taxed. It is a fact that, since the start of 1980, duty and VAT on the average beer have increased by with good licensees, have outperformed the market as a whole. We are putting more of our total investment into retailing, which we see as our main opportunity for the

We now have over 100 Beefeater Steak Houses, and are giving our shareholders an incentive to go and try this new type of restaurant.

We have also entered into an agreement with Pizza Hut, a subsidiary of the American company Pepsico; we are going to extend jointly the enterprise in this country, and make their products available in suitable pubs. The pub needs to adapt the ser-

vice it offers to the changing demands and needs of the public. We find that types of operation, where good value for money food is available as well as beer, wines and spirits, in attractive surroundings, are increasingly successful.

Our job is to improve the return on our trading property assets by seeing that our customers get the first-class products they want, delivered to them on time, at the most competitive cost. It all adds

using voluntary redundancies wherever possible, particularly among our longer-serving em-

£13.635

£12,106

Last year, I mentioned the steps we were taking to help our own redundant people, and to create new jobs by encouraging the growth of small businesses. We have progressed on both points. We are now offering a wider range of advice, and our work with small businesses has developed through our involvement with such organisations as Enterprise Agencies and Business in the

Community Concern

We place great importance upon the Company's involvement in the communities it serves, and the personal commitment so many of our people have to local initiatives for trying to solve memployment problems and help with other social responsibilities.

We must not be content just to

During the year, we have largely completed the North Side development, with the building of 138 flats accept high levels of unemployment tribution to our group profits now for Islington, a supermarket for

Wine Box, a new way of marketing wine in

being made by the Highland Distil-

lers Corporation of California and its

Scotch whisky brand Scoresby

company three years ago but we

were very happy to leave the man-

agement in the hands of our part-

ners, the Ambrose family. In the

past three years, volume sales have

increased by over 30% in a static US

market, and Scoresby is now one of

the best selling brands of Scotch whisky in four of the western States

During 1981, Whitbread Technical

Services began their efforts to

generate overseas earnings. They

secured contracts in Nigeria to build

two new breweries. WTS are well

equipped to undertake project man-

agement and constructional tasks in

any part of the world, and promise

worthwhile future profits for the

Our German wine subsidiary.

Langenbach GmbH, enjoyed

increased sales in its home market

and in the UK, and it was a year of

transition in the important US

market, where its distribution

was transferred to the successful

Almaden Company of the National

Chiswell Street

Distillers Corporation.

of the US, including California.

We acquired a major holding in the

Annual General Meeting:
12 noon, Tuesday 20th July 1982
Brewery, Claswell Street,
London ECIV 4SD.

Annual General Meeting:
1742 FOR CHOICE

LONDON TRADED OPTIONS

June 22 Total Contracts 637 Calls 470 Puts 167,

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Option	Ex'rcise price	Closing offer	Vol.	Clasing offer	V.oi.	Closing offer	Voi.	Equity close
BP (c) BP (o) BP (o) BP (o) CU (c) CU (c) Cons. Gld (c) Cons. Gld (p) GEC (c) GEC (c) GEC (p)	300 330 330 140 160 550 360 330	12 4 30 3 11 ₂ 20 16 36 16 36 17	9 1 13 20 8 10 4 12 6 25 2	24 12 38 9 312 16 26 42 10 26 26 25 45	2 	52 20 44 12 55 55 50 52 51 18 40 62	=	302p 151p 329p 77p 926p
Gr'd Met. (c) Gr'd Met. (p) ICI (e) ICI (e) ICI (p) ICI (p) ICI (p) Mks & Sp. (c) Shell ICI Shell (p)	220 214 300 330 360 330 360 140	54 12 5 17 6 1 22 52 52 30 46 20 46 20	4 105 15 222 152 48	37 16 10 26 15 28 56 33 28 56 33 56 36	50 1 1	21 12 38 22 34 		226p 312p 312p 158p 398p
Barclays (c) Barclays (c) Imperial (c) Imperial (c) Imperial (p) Lasmo (c) Lonrho (c) Lonrho (c) P & O (p) P & O (c) Racal (c) Racal (c) Racal (p)	360 360 80 90 100 100 360 60 140 140 420 420 390	Aug 30 71 1712 812 612 113 82 48 96	1 10 16 22 3 7	Noven 37 122 122 122 122 123 124 125 145 155 155 155 155 155 155 155 155 15	- - - - 9	Febr 40 17 11 12 33 14 16 20 80 60	18 18 	383p 96p" 317p" 58p 144p" 430p"
Racal (p) Racal (p) Racal (p) RTZ (c) RTZ (c) RTZ (c) RTZ (p) RTZ (p) Vazi Rfs. (c) Vazi Rfs. (c) Vazi Rfs. (p) Vazi Rfs. (p) Vazi Rfs. (p)	420 460 360 390 420 480 360 360 390 460 45 45	15 40	17 	25 45 32 18 12 6 25 47 115 312 219	Ξ	30 40 30 20 15 30 55 115 454 314		359p ""

BRITISH - BORNEO PETROLEUM SYNDICATE, P.L.C.

Extracts from the Statement of the Chairman, Mr. Campbell Nelson, at the 68th Annual General Meeting held in London on 22nd June 1982.

- The Stock Exchange value of our listed investments at the year end was £13,109,000 showing an unrealised appreciation of £8,813,000 over their Balance Sheet value. These investments include the acquisition at a cost of £1,052,000 of equity interests in some of the listed smaller U.S.A. exploration companies. We have also our unlisted investment of £105,000, our exploration acreage in Canada ft.317,000 and our recently acquired oil and gas producing properties in the U.S.A. £351,000. A new feature in the Balance Sheet is an amount of Long Term Loans at £2,368,000. These are four to five year Bank Loans to finance our investment in Canada and the U.S.A. and replace in part the short term Bank Loans we had last year to temporarily finance our Canadian investment.
- Pre-tax profits for the year were £1,095,000, little different to the prior year despite Interest on Loans £104,000 and Consultants' Fees £101,000 which are new items. Profit after taxation was £747,000, an improvement of £27,000 over the prior year. The cost of the interim and proposed final dividend is £576,000 (up £29,000) representing a 77% distribution of net earnings.
- The make-up of our listed investments at 31st March last at their Stock Exchange values was 84% oil companies, 7% gold mining and mining finance companies, 6% industrials and 3% preference shares, little changed from the prior year. Our expenditure in Canada for the year was Can.\$260,000 or
- £118,000 being mainly interest charges on a bank loan raised by our Canadian subsidiary. This bank loan was repaid in March, 1982 when your company subscribed for new shares in the Canadian subsidiary enabling the latter to pay off the bank loan. In addition to the above expenditure there was an exchange adjustment of 2308.000 because of the strengthening of the Canadian Dollar against Sterling during the year. Dome Petroleum drilled a farm-in well during the year in our acreage at Boundary Lake which earned them a 50% interest in the acreage. Dome attempted to complete the well as a gas well but encountered problems. The well is now shut in awaiting gas markets before a re-completion is attempted. No additional drilling is planned for the current year.
- Just prior to the end of the year your company acquired at a cost of £351,000 a direct participation in oil and gas producing properties in the Kitty Field, Campbell County, Wyoming, in the U.S.A. Revenue is derived from stripper oil production and from a gas processing plant.
- Last year I told you that our Western Canadian investment would rise to £1½ million and our projected investment in U.S.A. oil and gas ventures to £2 million, including, in the case of the latter, portfolio investment. Our Western Canadian investment now stands at £1,317,000. In the U.S.A. our investment in exploration companies and oil and gas ventures has totalled £1,403,000. Our projected further U.S.A. investment for the current year should bring the total to about £2 million.
- Our investment portfolio today shows an unrealised appreciation of £8,906,000. It remains largely an oil investment appreciation. Our confidence in a good future for the industry is undiminished. For the current year we shall have higher interest charges to meet. We can expect, however, a higher income from our investments and a continuance of sizeable profits on realisation of investments to give us a good result.

Copies of the full Statement and the 1982 Report and Accounts are available from the Secretaries of the Company, Pembroke House (5th Floor), 40 City Road, London EC1Y 2AD.

Global's £26m Texas oil deal

BY RAY MAUGHAN

sole remaining, and fast expand—forecast yesterday that these ing. offshoot of Investors efforts would unearth holders of Overseas Services, has struck a perhaps a little over helf the owned Texas oil and gas group which may have an important bearing on Global's bitter proxy fight with a group of dissident shareholders,

The dissidents, lead by Mr Marvin Warner and Mr John Bertoglio, are attempting to unseat the current chairman, Mr Frank Beatty, and the other directors when Global's annual meeting is convened in Jersey in Global has agreed to buy

McFarlane Oil, an energy exploration and production company based in Houston, for a combination of 3.25m shares Global common stock, \$9m of 6.5 per cent seven-year notes and \$2m cash. Taking a London price of 620p, down 40p yesterday, and at current parities, the deal is worth some £26.6m. The vendors would hold 13.5 per cent of Global's enlarged equity.

Global's shares are quoted in Frankfurt, London and in Over-the-Counter form in New York but are denominated as bearer shares and there is no register of holders. Both the incombent and dissident factions, organised in the latter instance by the Wall Street brokerage firm, Bear Stearns, are faced with the task then persuading them to undergo

Global Natural Resources, the financial advisor, Hambres Bank equity. He stressed, however, that the McFarlane deal had been under negotiation before the dissidents first surfaced to lodge Im bearer shares with the Brighton registration office in

> He pointed out, too, that "no assurance was asked for or given" as to how the new Global shareholders would vote at the crucial annual meeting on September 13. There was no homogeneity of McFarlane shareholders, he added, since the Houston company included Saudi and Lebanese minority shareholders The deal will not be finalised

for perhaps another two months by which time the applicable waiting periods under the Hart-Scott-Rodino Improvements Act will have expired and a Class One circular will have been sent to such shareholders as Global can find.

The response from the Warner-Bertoglio faction last might was predictably hostile. A statement from the dissidents A statement from the dissipants stated that "the issuance of the 3.25m shares is clearly designed to frustrate the legitimate interests of the shareholders of

Global."
"In view of the serious financial and legal issues raised by this transaction, the Bear Stearns group is reviewing with atternatives availcounsel the alternatives avail-Harry Fitzgibbons, a able to shareholders to prevent or of Global and its misuse of corporate assets."

Lookers' bid for Braid brings a poor response

THE £3.1m bid for Braid Group, the Liverpool vehicle distributor, by Lookers, its Manchester rival, has been accepted by share-holders owning only 6.8 per cent of Braid's ordinary equity.

This meagre response has meant the offer of 50p a share has had to be extended to July 5. Holders of only 412,487 ordinary shares had accepted Lookers offer at the first closing date on Monday, according to Lloyds Bank International, the company's advisers.

Together with the 21.1 per cent of shares held before the offer and the 1.3 per cent acquired during the offer period, acceptances have now been received for 29.2 per cent of the ordinary capital. Holders of 32 per cent of the preference capital have Mr Ken Martindale, managing

satisfaction with the recent lack of dividends Braid directors said they noted

the low level of response to the offer and concluded that most shareholders agreed the offer was ill-conceived and inadequate." Lookers yesterday announced a fall in pre-tax profit to £161,473 in the half-year ended March 31 from £402,115, on turnover 7 per cent lower at £32.91m.

The directors intend to recommend a total dividend held at 3.85p. of which an unchanged interim of 1.4p has already been declared.

Attributable profit fell to £192,153 from £317,115, and stated earnings per share were 2.6p against 4.3p. Lookers has continued to operate profitably despite difficult

trading conditions in the first half. The results for the first four months were affected by the director of Lookers, said the 6.8 bad weather and the recession, per cent of equity was held by although there has since been a 23 per cent of shareholders, marked improvement, the reflecting small shareholders' dis-

Sonic Sound dealings halted at 34p

THE SHARES of Soule Sound Audio, the Totterham Court Road hi-fi retailer, were suspended at 34p yesterday morning "pending an announce-

The price marked a low point for the company which came to the market in January 1981 with a placing at 80p. Earlier this year the shares had been as high as 129p before it became apparent that the company had

year Sonic's price started to fall quite rapidly before the company made an official announcement on June 3 warning that the first half of the current year to October 31 " had been extremely difficult." At that point the price was down to

In the latter part of May this

Mr Lionel Astor, chairman and founder of the company, emphatically denied that Sonic was in financial trouble "the company is not suffering from any serious liquidity problems or under pressure from either its bankers or creditors," he said. The Stock Exchange is believed to be investigating dealings ahead of that official statement.

ing the company revealed half-time losses of £568,491 despite a turnover rise of £2.59m to £4.49m. In the corresponding period there was a £353,610 profit. For the full year to October 1981 Sonic just topped its prospectus forecast with a profit of £804,957. Sonic had been caught out by poor trading conditions and a price war at a time when it had just completed a substantial programme of physical growth. Borrowings had source to peak at £1.4m and interest charges in the first balf were £150,000, more

A week after that profits warn-

In his interim statement Mr Astor said the company had taken drastic action to curtail and an upturn in the early part of the second half left the would be a marked improvement

BOC cutting machines division sold

Esab, the Swedish welding equipment manufacturer, has bought the cutting machines division of British Oxygen (BOC) at Andover for an undisclosed sum.

In April this year it bought another BOC gas cutting com-pany, Hancock GmbH of West Germany. The latest acquisition will be formed into a company, Hancock, which will have an annual armover of between £5m and £6m. It will supply about half the UK market.

Rescue offer for Northrop TEN YEARS after his first bid year but the Blackburn-based share, compares with bank

for British Northerop, Mr group's financial and trading borrowings of about £2.5m.

Davoud Alliance is back with position continues to be "very Northrop's former chairman what amounts to a £313.000 difficult." Its bankers, National warned shareholders ten years what amounts to a £313,000 rescue offer for the textile machinery and property group.

Thorugh a private company. Padworth Investments, Mr Alliance is bidding 18p per share for the 52.77 per cent of Northrop he does not already own. He has been chairman since May 1973 so it has been left to the independent directors. Mr E. Bethwaite, Mr J. N. Carwell and thet former deputy leader of the Labour party, Lord George Brown to consider the offer to be fair and reasonable and to recommend acceptance.

Mr Alliance, who also heads the textile manufacturer, Vantona Group, has irrevocably undertaken to accept his own offer in respect of his entire Northrop holding.

Northrop cut pre-tax losses from £753,000 to £117,000 last

Westminster, "have been keep-ing a running tab on us," the company secretary said yesterday, through Northrop's report-ing accountants and auditors,

warned shareholders ten years ago that without the bid from Mr Alliance, the only foreseeable alternative would have been liquidation. Now National Westminster is insisting on a major

RESULTS AND ACCOUNTS IN BRIEF

THOMAS LOCKER (HOLDINGS) THOMAS LOCKER (HOLDINGS) (Screening and filtration engineer)—
Rosults for year to March 31, 1982, reported June 9. Shareholders' funds [14.66m (£13.60m); fixed essets £7.84m (£7.87m); net current assats £6.99m (£5.76m); increase in working capital C1.71m (£524,000) including increase in net inquid lunds £855,000 (£744,000). Chairman asys outbook promising, with many subsidiaries having good order books. Meaning: Warrington, July 15, 11 am.

FRANCIS PARKER (builders' supplies producer and property developer)—
Results for 1981 reported May 25.
Shareholders' funds £7.45m (£7.42m); foan stock £2.27m (asme); fixed assets £7.67m (£8.69m); lend held for development £2.2m (£2.14m); net current assets £871.000 (£364.000) including bank loans and secured overdrefts £2.34m (£2.24m); secured bank loans £1.78m (£1.5m); net decrease in funds £413.000 (£4.58m increase). Meeting: Arundel, July 12, noon.

jewellery retailer)—Results for year to January 31, 1982 reported June 16. Shereholders lunds £30.22m (£27.16m); Reed assets £17.5m (£8.94m); net current assets £18.92m (£18.44m) including overdrafts and short term loans £14.81m (£8.05m); decrease in work-

COATS PATONS-Mr W. D. Coats, charman, told AGM sales to end Mey marginally shead of lest year, but behind budget. UK market still depressed and few signs of buoyancy overseas. Company seems to be at bottom of trough but no signs that it is starting to climb out.

puter paper producer)—Results for year to March 31 1982 reported June 12. Sharehalders

Charter full-year profits in line with forecasts

BY GEORGE MILLING-STANLEY

the forecast made at the halfway

stage.

Mr Neil Clarke, chief executiners, and Anderson Strathtive, indicated that second-half clyde, the mining equipment profits would probably continue manufacturer, both had very to grow at about the 14.6 per good years.

1962 1981 six months, and the full-year growth rate is 15.4 per cent at the attributable level. The final dividend is lifted to

7.25p a share from 6.6p, making a total of 11p against 10p last time. Attributable profits were £37,63m, up from £32.59m. Earnings of 35.8p a share compared with 31.1p are shown before extraordinary debits of £5.57m, against credits last time

of 449.34m. The latest debits include Charter's share of the rationalisation and closure costs. at Cape Industries, together with a provision for the cost of closing a small coal mine in the U.S. operated by the Alexander Shand group.

and Wolfram from the dates on Glasgow-based company

London's Charter Consolidated The main contribution to the as reasonably satisfied with industrial and mining group for improved profits came from in Charter's performance but contribution to March 31 bears out vestment income where the two contribution to the associated companies. Johnson a difficult time improving on Matthey, the precious metal re profits again in the current 12

Making 72,569
Admin, expenditure 5,035
Prospecting costs 968
Interest payable 7,339 Tax 19,502
Net profit 39,725
Minorities 2,000
Profit sharing 98
Attributable 11,558

Charter's bid to acquire the shares in Anderson Strathclyde it does not already own is cur-Shand group. It does not already own is cur-Operating profits were slightly rently before the Monopolies lower, despite the inclusion for Commission, and Mr. Clarke re-the first time of profits of affirmed the group's determina-Alexander Shand and Beralt Tin' tion to secure control of the

Operating profits for the first quarter, which closes at the end of this month, will probably be about the same as last year, he

tinued his gradual withdrawal from his business activities by resigning from Charter's board, along with Sir Philip Oppenheimer. They are replaced by two other members of the Oppenheimer family, Nicholas and Anthony. Mr Neil Clarke, the present

chief executive, becomes deputy chairman in place of Sir Philip. Oppenheimer, and Mr. Jocelyn Hambro, who has been a director of Charter since 1965, has been appointed non-executive chair-

Charter's shares advanced steadily throughout the day, closing 15p higher at 185p. This compares with a net 255st value at the year end of £455m, or 433

The directors have recom-mended a final dividend of 10

accle

Cons

Extraordinary gain lifts MMC

ATTRIBUTABLE PROFITS of the newly-enlarged Malaysia Kuala Lumpur. Unus.

Mining Corporation (MMC) for the seven mouths to January 31 hold their own shares. The old the inclusion of a large gain on the inclusion of the i ATTRIBUTABLE PROFITS of gain, reports Wong Sulong from M\$56.83m against \$253.06m for the newly-enlarged Malaysia Ruala Lumpur. Under local law, the previous 12 months.

Mining Corporation (MMC) for Malaysian companies may not. The directors have recom-

The group, which accounts for state - controlled investment about 23 per cent of Malaysia's agency.

This sale produced a gain of the produced a gain of the colors of the produced a gain of the colors of the produced a gain of the colors of the takeover last year by Malayan Tin Dredging (MTD) of the former Malaysia Mining Corporation, and MTD's subsequent change of name to that of the acquired company.

It was that takeover which gave rise to the extraordinary

Seltrust share structure changed THE RESOLUTIONS to restruc

ture the share capital of Australia's financially-troubled Seltrust Holdings were all passed by the special meetings held in Perth, Australia, on Monday. Holders of the "Z" preferen-

tial shares will thus exchange these for new "A" ordinary shares in the ratio of five A" shares for every three "Z" shares held. Seltrust, controlled by British Petroleum through its Selection Trust subsidiary, has performed poorly for most of the time since

t was set up in 1979, and has had to defer the dividend due on its preferred stock several times. Some shareholders had indicated that they were unhappy with the terms of the exchange and there had been suggestions that there might be pressure on Seltrust's board to improve the terms at the meetings. In the event, very few shareholders attended and the necessary resolutions were passed without discussion.

The fact that BP holds 78.8 per cent of Seltrust and thus

the resolutions were assured of Ernst & Whinney.

Northrop's net current liabilities now stand at £1.7m and net worth of £850,000, or 37.4p per resource.

Industrial insisting on a major the resolutations were assured in re-financing and says that this is the required majorities, was only practicable if the group is presumably responsible. BP's wholly under Mr Alliance's holding falls to 75.3 per cent after the restructuring.

HAWLEY GROUP (leisure goods HAWLEY GROUP (leisure goods manufacturer) — Results for 1981 reported May 29. Shareholders' funds (16.64m (23.3m); secured loan capital (26.09m); investments (17.13m (26.09m); investments (17.35m (24.09m); not current habilities (4.12m (2368.061 sasets) including cach (23.45m (22.300)) and secured bank overdraft (7.51m (22.25m); decrease in working capital (23.65m (6501,004)). Maeting: Maidenhaad. July 7, 10.00 am.

...TIME PRODUCTS (watch importer,

WC. Jaly 13, noon.

APPLIED COMPUTER TECHNIQUES
(HOLDINGS) (supplier of commercial
computer applications) — Results for
year to March 31 1982 and details of
rights issue reported June 11. Shareholders funds £3.65m (£2.37m); fixed
assets £1.59m (£1.34m); nat current
assets £1.78m (£1.88m); decrease in
net cash and bank belencas £225,190
(£731.131 increase).

eireedy known. Investments £136.61m [131.45m]; current assets £3.4m [£113.45m]; current liabilities £7.42m [£5.12m]; current liabilities £7.42m [£5.28m]; loans £23.84m [£5.22m]; shareholders [108.48m reserves will be eliminated shortly by lights £2.02m [£689,000). Meeting: Temple Place. July 14, 2.15 pm.

THE LONDON AND PROVINCIAL THE LONDON AND PROVINCIAL

JOHN SWAN AND SONS (Hvestock TRUST—Results for year to March 31 1982, already known. Shareholders' aucrine SWAN AND SONS (Rivestock auctioneer and eatate agent)—Dividend 80 (7.425p) for year to April 30, 1882. Turnover £308.000 (£812.000); pre-tax profit £186,000 (£182.000), including extraordinary surplus on sale of propertus £11.000 (nul); tax £65.000 (same). Earnings per share 16.1p (14.4p). funds £27.56m (£24.01m); investments at cost E28.31m (E25.41m) including listed investments outside UK £13.32m (£11.3.2m); net-current assets £55,778 (£8,954); increase in uninvested funds £722,972 (£50,951). Meeting: P & O Building, Leadenhell Street, EC, July 15 at 2.15 pm.

FOSTER BROTHERS (clothier, tailor, outfitter)—Results for year to February 28 1982 reported May 28 Shereholders' funds £33.79m (£33.59m): Joans £1.93m (£235.00): fixed assets £28.83m (£33.84m): current assets £24.2m (£23.84m): current liabilities £19.76m (£17.33m): decrease in working capital £4.33m (£2.63m): increase including decrease in cost end deposits £1.56m (£3.25m increase). Chairmen says cost cutting and rationalization should achieve profit increase in year shead. Meeting: Solihull, July 14, noon. FLEMING UNIVERSAL INVESTMENT TRUST—Rosults for the year edded March 31 1982, alreedy known, investments at cost £20.4m (£18.88m), at valuation £47.98m (£47.38m); Current assets £1.15m (£1.04m), current labilities £1.35m (£1.07m). Moeting: 122 Lesdenhell Street, £C, July 15, 3 pm.

PHILLIP HILL INVESTMENT TRUST-PHILLIP MILL INVESTMENT TRUST—
Results for year to March 31 1982
reported May 28. Investments £173.6m (£188 74m); current assets £11.05m (£11.29m); current lightines £8.27m (£4.84m); shareholders unds £172.52m (£159 31m); debentures £4.5m (same); decrease in uninvested funds £480,000 £64.77m increase). Chairman out Gecrease in necesses). Chairman says portfolios soundly based and will respond to first signs of international recovery; directors hope to maintain increased dividend and make further lnormase in following year. Meeting: 1 Brewers Green, SW, July 22, 215 pm.

HENRY WIGFALL AND SON (alectrical retailer and TV rentail—Results for year to March 27 1882 reported June 12. Sharsholders' funds £11.25m (£14.97m); loans £7.57m (£7.17m); fixed assets £23.79m (£25.47m); current liebilities £15.1m (£13.77m); current liebilities £15.1m (£17.08m) including socured bank overdrafts £3.77m (£6.24m); decresse in net borrowings £1.8m (£993.000). Mosting: Sheffield, July 13, noon. CONTINUOUS STATIONERY (com-

year to Merch 31 1982 reported June 12. Shareholders funds £1.59m [£1.59m]; fixed assets £796,853 [£786,257]; ner current seaths £99,891 [£866,257]; increase in working central c98,779 [£25,349] including increase in liquid funds £8,936 (£205,855). Chairmen says current year hos started setralactorily. Meeting: Great Eastern Hotel. £C, July 14, noon. PANTHER SECURITIES (property

overseas. Company asems to be at bottom of trough but no signs that it is starting to climb out.

ELECTRA INVESTMENT TRUST—

Results for your to March 31, 1982, shere 25 2p (9.3p). Shareholders'

cents a share.

MMC said yesterday that the
prospect of more stringent export controls on tin and M\$334.2m after deduction of extion and development pro-grammes, which are vital if it is The latest figures do not com-pare with the attributable profits of M\$73.62m earned in the year to retain its position as a major mining concern. represent the performance of the has adequate cash resources to enlarged group, which has five finance these programmes. MMC tin mining subsidiarles.

At the property of the cash resources to enlarge the plans to discourse the property that it is the pr

enlarged group, which has he make the dispose of its 20 per tin mining subsidiaries.

At the operating level, profits cent stake in Sine Darby, the for the seven-month period Malaysia-based plantation group, (MMC has changed its account. "when circumstances are (MMC has changed its accounting year-end) are shown at favourable

Series GOLD C \$300 GOLD C \$350 GOLD C \$350 GOLD C \$350 GOLD P \$350 GOLD P \$350 GOLD P \$375 GOLD P \$375 GOLD P \$375 GOLD P \$425 123, NL 81 87-9; C F.117,50 C F.112,50 C F.112,50 P F.107,50 P F.107,50 P F.107,50 C F.112,50 C F.112,50 C F.102,50 103, NL 80 86-95 C F.102,50 C F.103,50 C F	54 12 16 59 10 6 2 1 192 -150 20 75 30	5.50 1.50 2.50 1.80 1.80 2.50 1.80 1.80 1.80 1.80 1.80 1.80 1.80	75 400 29 40 29 55 400 75 400 75 400 75 10 125 10	13 4,50 16 29 48)	23.4	8804.80
GOLD C \$3356 GOLD C \$350 GOLD C \$400 GOLD P \$325 GOLD P \$325 GOLD P \$375 GOLD P \$375 GOLD P \$375 GOLD P \$375 C F.100 C F.118,50 C F.118,50 C F.118,50 C F.118,50 C F.125 12 NL 81 85-88 P F.102,50 103, NL 80 86-95 C F.102,50 P F.102,50 114, NL 82 88-92 C F.102,50 C F.102,50 P F.100,50 P F.100,50 P F.100,50 C F.102,50 C F.103,50 P F.100,50 C F.103,50 P F.100,50 C F.103,50 C	126 126 127 128 129 129 130 130 130 130 130 130 130 130 130 130	5.50 1.95 44 69 132 3.20 1.80 2.50 2.50 1.80 0.70	59 20 29 40 5 5 75 400 200 200 10 125 10	2.30 1.69 4.80 1.30 0.80 1.70 0.60 1.70 4.70		23.4	F.101.50
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C=Call P=Put

Chairman

Swiss-Kuwaiti Bank

(Bonque Suisse-Koweitienne)

(Al Bank al Swissri al Kuwaiti)

Credit Suisse has sold a minority holding of the Banque Industrialie et Commerciale Credit Suisse has sold a minority holding of the Banque industrielle et Commerciale de Crédit, Geneva, to a group of Kuwaiti-dominated financial institutions.

The Geneva banking establishment changed its trade name into Swiss-Kuwaiti Bank (Banque suisse-koweitienne—Al Bank at Swissri at Kuwaiti). Its share capital amounting at present to Swift. 5,000,000 is now 27% owned by Pirl Holding B.V., Rotterdam, a subsidiary of Pearl Holding (Luxembourg) S.A. and 3% by the Kuwaiti-French Bank, Paris. Credit Suisse retains a majority.

Pearl Holding is owned by

whereas the Kuwaiti-French Bank is owned by
Pearl Holding (Luxembourg) S.A.
Crédit Industriel et Commercial The Board of Directors of the Swiss - Kuwaiti Bank is composed as follows:-

*- Jean-Paul Aeschimann, Collonge-Betlerive - Mubarak Jaher Al-Sabah, Kuwais Deputy Chairman - William Wirth, Zurich - Hussein Makki Al-Juma, Kuwait Deputy Chairman

 Jean-Louis Delachaux, Collonge-Bellerive
 Philippe Dujardin, Paris *- Offivier Paschoud, Geneva - Wadie Salib, Egg near Zurich

* members of the Executive Committee

The new bank is expected to start its operations on August, 2nd, 1982 at the new premises:

2 rue du Mont-Blanc
1201 GENEVA

ing capital \$525,000 (\$94,000) includ-ing decrease in bank balances and short term investments £8.24m (\$4.12m). Meeting: Connaught Rooms, WC. July 13, noon. HENRY WIGFALL AND SON (electri- Pearl Investment Co., in Bahrain
 Alahli Bank of Kuwait - Commercial Bank of Kuwait
- Kuwait Real Estate Bank BankAmerica International Group

WESTERN DOOARS TEA HOLDINGS
—Dividend 4p (serne) for 1981. Profit
before tex £132,490 (lose £31,895);
profit ster tex £99,929 (lose £33,140);
earnings per share 7.750 (lose \$9.2p).

Light-Serviços de Eletricidade S.A.

This announcement appears as a matter of record only.

Rio de Janeiro, Brazil

U.S. \$50,000,000 Medium Term Financing

Guaranteed by The Federative Republic of Brazil

Chemical Bank International Group

Morgan Guaranty Trust Company of New York

Banco Real S.A.

Agent

Chemical Bank

June, 1982

Banco Noroeste S.A.

si. 1mue 53 19€

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Centrovincial rises to £1.5m: pays 1.34p more

vincial Estates advanced from £1.37m to £1.55m for the year ended March 31 1982 and the dividend is being stepped up by 1.34p to 4p net per 20p share by a final of 2p.

a must or zp.

Net property income for the period, including realised dealing profits of £70,000 (£23,000), was also higher at £4.05m, compared with £3.7m, but was sub-ject to interest charges of £2.57m, against £2.35m.

The taxable revenue comprised n.£1.25m (£1.32m) from the UK is side and £292,000 (£49,000) from Group net, revenue generally

offset by the higher cost of 7.61p (5.16p).

tribution to net revenue—before arising as valuation profits; dealing profits—in the second £307,000 gain (nil) on overseas dealing profits—in the second £307,000 gain (nil) on overseas reduction of a U.S. loan. Six months at £940,000 was subloan stock redemption; exchange stantially greater than the first loss £1.98m (£22,000 profit); tax halfs £536,000.

Authoritory profits—in the second £307,000 gain (nil) on overseas reduction of a U.S. loan.

The group's principal interests are commercial property development and investment.

far this year and the level of

property development and house-building group was some 8 per

cent lower at £6.19m for the half

year. This reflects mostly the de-

pressed housing market, which

showed signs of gradual improve-

BOARD N	A
The following companies have noti- fied dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of con- sidering dividends. Official indications are not available on to whother the dividends are imprime or finels and the subdivisions shown below are based mainly on last year's timetable.	
TODAY	
InterimsAnglia Television, Emest Jones (Jewellers), Arthur Lee, Notsing- ham Brick, Polly Peck,	

n renews the continued improve- Full year tax took £351,000, sundry capital debits £37,000 ment in net rentals from programs £560,000, after which (£94,000).

Capital items not charged: portowing the reduction of were; on investment properties group borrowings (reported in £86,000 loss (nil) arising on sales the interim statement), the con- and £942,000 (£1.3m) surplus

have noti-	IEETINGS Duffigur, Racal Electronics, Steelin
ntings are 8 ci con-	Industries. FUTURE RATES Interiors—
upther the	Rett Brothers July Hayters June 3 Vectis Stone June 2
ere. beşed	Finals— British Tar Products July Cockeedge July Dowry July
n, Ernest), Notsing-	Downy July 1 Rectrocomponents June 2 LRC International July 1
Pentecost,	Scott (Devid) July Tubnel Holdings June 2 † Amended.

Midyear taxable revenue was marginally higher at £633,000 (£621,000) and substantial interest savings were anticipated in the second half following the

Countryside ahead 30% midway

commercial and industrial property schemes which are pro-

of 26,000 sq ft at Waltham Cross

on which construction has recently commenced, another

office development of some

30,000 sq ft at Brentwood, and

about 60,000 so ft in a first-class

location on the Kingston By-

In the housing market, the

much higher involvement of the

banks in the home loan business,

along with the continuing sub-

statuial contribution by building

societies, is bringing greater stability to the supply of money

reductions in mortgage interest

mmed for development over

dustrial property development and investment activities and will shortly commence development of a major project in Bristol. The project, which will com-prise 117,000 sq ft of office accommodation, is being funded by the Prudential Assurance

Satisfactory |

expected by

Espley-Tyas

Group returned pre-tax profits of £1.2m on turnover of £23.16m. Stated earnings per 25p share on

weighted average basis were 3.21p and a net interim dividend

which compared with a forecast

Since then numerous transactions have been undertaken, the effect of which has been to

eliminate all significant minority interests in subsidiaries.

Mr R. A. Shuck, the chairman

He points out that the group

has maintained a policy of ex-panding commercial and in-

results

of 1.5p is declared.

of £1.6m.

factory results.

Company. The investment value of the completed scheme will be Overseas, the group's com-

panies in Europe and North America are making satisfactory progress and the board views their long-term potential with confidence.

Construction activities continue to make a significant contribution to profits. A healthy order book will see the group well into next year—emphasis being on negotiated design and building products.

Mr Shuck says the recentlyannounced corporate and management restructuring, follow-ing the acquisition of minority interests in Manston Development Group and Espley-Manston will enable the group to take full advantage of opportunities growth in earnings and

rates occur, both demand and After tax and minorities prices are likely to rise with attributable profits for the six months emerged at £720,000.

Midterm fall at J & H B

forger and engineer, was down from £1.78m to £1.69m for the six months to March 31 1982, on turnover of £13.9m, against

0.75p net per share. Last year's total of 1.6p was paid from pre-tax profit of £2.98m. Earnings per 5p share were given as 3.37p (3.55p).

have so far been realised on sales of quoted investments, against a figure of £221,000 for the full preceding year.

£48,000 after six months

17,674 15,416

63,747

4,551 531 5,874

10,956

11,524 7,197

18,721

34,070

1,476

1,476

32,594

10,497

22,611

13,342

2,098

By order of the board Charter Consolidated P.L.C. D. S. Booth

40 Holborn Viaduct, London EC1P 1AI

Secretary Registered Offices was for the full preceding year.
Earnings per 25p share are given
as 9.28p, against losses of 15.22p.
The directors say the low level
of orders gives cause for concern, and has resulted in the
recent announcement of more redundancies. The company last
year cut its workforce in half.
The precise profit was struck

year cut its workforce in half.

The pre-tax profit was struck after depreciation of £54,000 (£53,000), interest payments of £33,000 (£86,000) and exceptional debits of £27,000 (£5,000). There was again no tax charge. Trading profit was £162,000, against £54,000.

Jermyn Investment

per 25p share was maintained

per 20p share was manuament at 1.625p.

Tax was down at 23,571 (£12,636) and net extraordinary credits amounted to £10,183 (£15,316). A sum of £13,237 (£15,316) was transferred to

capital reserves.
Earnings per share were stated at 3.57p compared with 2.17p last time.

The recent rights issue by Grand Metropolitan has been accepted in respect of 70.93m new ordi-nary shares, or 95 per cent. Shares not taken up have been sold in the market at a premium.

YEARLINGS 13½% The interest rate for this week's issue of local authority bonds is 131 per cent, up three eights of a point from last week and compares with 13} per cent a year ago. The bonds are issued at par and are redeemable on June 29,

A full list of issues will be published in tomorrow's edition.

Strong second half pick-up leaves GEI profits at £3.14m

brought pre-tax profits to £3.14m for the year to March 31 1982,

compared with profits of £3.48m previously.

After being 52 per cent down at halfway second half profits rose 24 per cent to £2.42m—more profits traditionally come There are no comparative figures—the company commenced tracing in February 1981. However, for the period to September 30 1981 the group made taxable profits of £2.28m, in the second half.
"For us, but not for everyone

in the engineering sector, trading conditions and profits are getting better," says Mr Thomas Kenny, chairman. He says that order books at the year end were at the highest level since 1980. Turnover for the year stood at £54.7m against £55.32m, with says the group's performance in the first six months of the current year indicates that it "is exports accounting for 16 per

cent of the total.

The dividend is maintained at 5.315p with a repeated final of 3.555p net. Earnings per 20p share, after tax payable and deferred, were given as rising from 5.6p to 6.1p.

All divisions were profitable,

in profits. A strike at one major

in the Midlands steel market share is unchanged, he

before a deferred tax credit of cent.

A STRONG second half at GEI 2112,000 (debit £343,000). After International, specialist engineer, tax profits rose 12 per cent to tax profits rose 12 per cent to £2.16m. compare with £5.96m. Mr Kenny points out that the balances have

been maintained after spending almost £2m on new plant and equipment. On a current cost basis pre-tax profits fell from £1.7m to £414,000, and losses per share

after tax were shown as 1.9p (earnings 1.4p).

After a miserable first six months, GEI's strong second half recovery left the company only 10 per cent down on the previous year's profits and well ahead of most expectations, the share price adding 7p to a 1982 high of 82p. Order books at the year-end were 21 per cent up on the comparable figure, but a return to something like the £6.8m profit of two years ago will not be seen this year but Mr Kenny points out that strikes caused some reductions best performance, with a 41 per cent trading profit improvement customer for wheels lost GEI to £1.2m. GEI is keen to acquire £150,000 in profits and a small a U.S. footbold in this area, as £150,000 in profits and a small a U.S. footbold in this area, as engineering company strike reduced profits by £300,000.

Packaging machinery had a "solendid" year says Mr Kenny companies, GEI is now back to follow the steel companies. full-time working, but over the products earned money compary year as a whole the wage bill able with last year. Despite the actually fell. GEI, as always, has spread of customers it was not plenty of liquid resources, but possible to maintain margins but there was enough debt to make

parket share is unchanged, he it—to the tune of £53,000—a net dds.

Tax took £1.1m (£1.21m) tained dividend yields 9.6 per

G. B. Papers losses ease to £133,000 at year end

AFTER half-time gains at G B £217,000, against previous losses Papers, formerly Culter Guard of £347,000, and losses last time Bridge Holdings, from taxable from discontinued operations of of £903,000 to £5,000, results for the year to March 31 1982 show a continuing improvement. Losses of this paper

maker and converter were reduced from £1.36m to £133,000. The directors point out that ness activity during December and January, partly because of the severe weather and the rail strike. Turnover for the y-fell from £23.59m to £18.91m. At the trading level continuing

£696,000. There is again no dividend-

the last payment was 0.5p in Attempts to sell the site at

Peterculter for industrial use have not been successful, sales and production were the directors. Refusal for plan-seriously reduced by low busing application has been lodged with the Secretary of State for Scotland. Largely because of the

security and other costs associated with the site, there is extraordinary debit operations showed a profit of £210,000.

BASE LENDING RATES

A.B.N. Bank 121%
Allied Irish Bank 122%
American Express Bk 121%
Amro Bank 122%
Amro Bank 122%
Henry Ansbacher 121%
Arbuthnot Latham 121%
Associates Cap. Corp. 13%
Banco de Bilbao 121%
Bank Hapoalim BM 121%
Bank of Ireland 121%
Bank of Ireland 121%
Bank of Cyprus 121%
Bank of Cyprus 121%
Bank of N.S.W. 121%
Banque Belge Ltd. 121%
Banque du Rhone et de 1a Tamise S.A. 13%
Barclays Bank 121%
Bereficial Trust Ltd. 131%
Bremar Holdings Ltd. 131%
Brit. Bank of Mid. East 121%

Choulartons 13 % Citibank Savings 1121%

Robert Fraser 13 %
Grindlays Bank 112 %
Grindlays Bank 121 %
Hambros Bank 121 %
Heritable & Gen. Trust 121 %
Hill Samuel \$121 %
Hongkong & Shanghai 121 %
Kingsnorth Trust Ltd. 14 %
Knowsley & Co. Ltd. 13 %
Lloyds Bank 121 %
Mallinhall Limited 121 %
Edward Manson & Co. 131 % Edward Manson & Co. 131% Midland Bank 121% Samuel Montagu 121% Morgan Grenfell 121% National Westminster 121% Norwich General Trust 121%

Trustee Savings Bank 121% Trustee Savings Back 13%
TCB 121%
United Bank of Kuwait 121%
Whiteaway Laidlaw 13 %
Williams & Glyn's 121%
Wintrust Secs. Ltd 121%
Yorkshire Bank 121%

Members of the Accepting Houses Committee. 7-day deposits 9.5%, 1-month 9.75%. Short term £8,000/12 month 12.1%. † 7-day deposits on sums of: under 210,000 9½°., £10,000 up to £50,000 10°4%. £50,000 and over 11°5.

Silentnight Holdings



Year to: Jan 1981 65,926 Turnover. Profit before tax. 5,110 3,038 Profit after tax. 4,776 2,209 890 Profit attributable to shareholders. 4,776 Earnings per share. 21.2p 9.8p Dividend per share. Copies of the 1953 Annual Report are available from The Secretary, SEENTHIGHT HOLDINGS PLC, WELLHOUSE RD, BARNOLDSWICK, COLNE, LANCS, BB8 GDR.

Honeywell advanced technology -helping to shape Britain's future

It doesn't take a genius to see that our future lies in greater efficiency, output and cost effectiveness. This means bigger and better plant. It also means sophisticated energy saving control systems, for energy costs are still a major issue. A key to reducing energy consumption is advanced technology based on micro-electronics. It is this technology Honeywell offers to commerce and industry throughout the U.K. and Ireland. It can reduce energy use in buildings by 15 to 30 % - no matter how new or old, how big or small, or what functions they perform. Pay-back time is several times faster than it was for pre-1970 controls. Amortization of





as six months and rarely exceeds two years. Of course, energy and cost savings go on and on. Honeywell advanced technology is about people, too. It lets them enjoy comfortable temperature, cleans the air they breathe and keeps them safe - for we have a system that manages the security and services of up to 100 buildings at a time, 24 hours a day. Saved

energy is the cheapest, most readily available source of alternative energy. Honeywell advanced technology lets you tap this source. And, when future conditions demand controls of greater scope and sophistication, Honeywell will supply them. Think about Honeywell. It could help to shape your



For more information: Honeywell Control Systems Ltd. Communications Department Honeywell House, Charles Square, Bracknell Bercks. RG 12 1EB United Kingdom Tel. (0344) 24555 ext. 581

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: :

4.2

S EXCHANGE

SPAIN

Banco Vizcaya
Banco Vizcaya Espanole Zinc Fecsa Gal: Preciados

for year ended 31 March 1982

members on or about 8 July 1982.

for year ended 31 March 1982

Consolidated profit and loss account

Associated companies.....

Retained profits of associated companies.....

Profit after taxation and before extraordinary items

Retained profit transferred to reserves...

Charter Consolidated Services Limited

P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ

Profit for the year retained before extraordinary items......

Administration and technical expenditure

Profit before taxation.....

Minority interests Profit sharing scheme.....

1. Operating Profits

Charter group

Associated companies.....

Final dividend and consolidated profit statement

Operating profit of industrial and mining subsidiaries

Income from investments

Other investments....

Surplus on realisation of investments.....

Prospecting expenditure.....

INTERIM PRE-TAX profits of ment only in the last month or shopping centre to be held for

Countryside Properties have so. stated half-year earnings per £407,000 to £531,000 and it is ex-

Mr Alan Cherry, the chairman, says the profits forecast has regard to the business achieved so housing and commercial property net profits ahead by £120,000 to £491,000. Dividends absorb sale completions programmed for the remaining period.
Turnover for this commercial

During the first half, the Rainsford House office scheme at

contracts have been exchanged for a sale of this property when completed to Saleway Food

pected that the result for the the interim dividend is stepped current year ending Septumber 30, 1982 will exceed the record £1.32m of 1980-81.

Chelmsford was let and the sale of the freehold to the Merchant Navy Ratings Pension Fund was finalised. Since the end of the half year the office development at Pilgrim House, Billericay, has been completed and let and the

£92.000 (£84,000).

payment was 3.85p. gran interest charges for the period the were little changed at £536,000 The (£538,000). Tax charge was \$40,000, against £36,000, giving on

The supermarket development

investment Several more sites have recently been acquired for

the next two to three years. These include an office scheme

group has sold its freehold interest in this property. at Hadleigh is ou programme for completion later this year and

town-centre shopping scheme at Deal, which the group is project-managing and building for its associate company, Countryside Investments, is also This making good progress. development is to be let as a whole on completion to Key the acquisition of a nun Markets and will be the second sites in prime locations.

The board of directors to 1982 a final dividend of 7.25p per share in respect of the year ended 31 March 1982 (1981: 6.6p per share), payable to shareholders registered in the books of the company at the close of business on 16 July 1982 and to persons presenting coupon no. 35 detached from share warrants to bearer. With the interim dividend of 3.75p per share paid on 7 January 1982, the total dividend for the year will be 11p per share, equivalent to 15.71428p with associated tax credit (1981: 10p, equivalent to 14.28571p with associated tax credit). Dividend warrants will be posted on or about 11

The following unaudited results of the company and its subsidiaries for the year to 31 March 1982 are issued for information in advance of the annual report and accounts which will be posted to

Operating profits for 1982 include for the first time profits of Alexander Shand and Beralt Tin and Wolfram from the dates of their acquisition as subsidiary companies during the year.

Extraordinary Items
These include the group's share of the costs of rationalisation and closures at Cape Industries together with the provision for the cost of closure of a small coal mine at Fulton in the United States operated by the Shand group.

Current Cost Accounts

Current cost profits before tax for the year were £40.8 million compared with £36.0 million for 1981.

Current cost profits attributable to Charter were £21.1 million (per share 20.1p) compared with £17.7 million (per share 16.9p). Full current cost accounts will be included in the annual report for 1982.

henefit to the group's house-building programme. The group continues to confine its residential development activity to the south-east region within a 30-mile radius of central London and has recently been successful in achieving some further excellent residential development opportunities with the properties of a number of H. B. Jackson, metal merchant, and engineer. Was down

The interim dividend is held at

In addition, profits of £186,000

Tilley Lamp at

FOR THE half year to March 27
1982, Tilley Lamp made a pretax profit of £48,000, against a
loss of £70,000 in the corresponding period a year earlier and a
£42,000 profit for the full year.
Turnover advanced from
£992,000 to £1.49m.
The close company, which

The close company, which makes light engineering products and camping and leisure accessories, is a subsidiary of Stonehage International BV of the Netherlands.

The dividend is omitted, as it was for the full preceding year.

Earnings ner 25p share are given

Pre-tax profits at Jermyn Investment rose to £39,300 for the 141 months to January 31 1982 against £34,307 for the year to November 15 1980. Net dividend

GRANDMET

Honeywell

Andelsbanken A/S Danebank

Bank of America International

Banque Française du Commerce Extérieur

Banque Populaire Suisse S.A. Luxembou

angue Internationale à Luxembourg S.A.

Atlantic Capital

Berliner Bank

Delbrück&Co.

Dresdner Bank

Hambros Bank

Bank Mees & Hope NV

H. Albert de Bary & Co. N.V.

Christiania Bank og Kraditkass

European Banking Company

Hessische Landesbank

Kansallis-Osake-Pankki

Morgan Grenfell & Co.

National Bank of Abu Dhabi

Norddeutsche Landesbank

J. Henry Schroder Wagg & Co.

Swiss Bank Corporation International

Union Bank of Switzerland (Securities)

Sal. Oppenheim iz & Cie.

PK Christiania Bank (UK)

Société Générale

Wood Gundy Limited

Crédit industriei d'Alsace et de Lorreine

Kuwait Investment Company (S.A.K.)

Merrill Lynch International & Co.

City of Copenhagen

DM 75,000,000 9%% Deutsche Mark Bonds of 1982/1992



Offering Price: Redemption:

99%% 9%% p.a., payable annually on June 15 annually, beginning on June 15, 1985 through purchases in the market or drawings of series by lot at par Frankfurt am Main and Hamburg

Deutsche Bank

Algemene Bank Nederland N.V. Amro international Limited

Arab Banking Corporation (ABC) Julius Baer International

Bank für Gemeinwirtschaft Bank of Tokyo International Banque Générale du Luxembourg S.A.

Banque de Neuflize, Schlumberger, Maliet Banque de l'Union Européenne

Joh. Berenberg, Gossler & Co. Berliner Handels- und Frankfurter Bank

Commerzbank Aktiengesellschaft Creditanstalt-Bankverein Deutsche Girozentrale Effectenbank-Warburg Girozentrale und Batik der

Georg Hauck & Sohn Bankiers Hill Samuel & Co.

Kidder, Peabody International Kredietbank S.A. Luxembourgeoise Landesbank Rheinland-Pfalz

- Girozentrale – Lehman Brothers Kuhn Loeb B. Metzier seel. Sohn & Co.

Morgan Guaranty Ltd The Nikko Securities Co., (Europe) Ltd.

Nordfinanz-Bank Zürich Orion Royal Bank

Scandingvian Bank Skandinaviska Enskilde Banken

Société Générale de Banque S.A.

/ereins- und Westbank

Aktiengesellschaft Westdeutsche Landesbank Privatbanken A/S

Amhold and S. Bleichroeder, inc

Bank Leu International Ltd.

Banque Bruxelles Lambert S.A.

Banque de Paris et des Pays-Bas Baring Brothers & Co.,

Bergen Bank A/S

Свитоуа 4 Со. Crédit Commercial de France

Daiwa Europe Limited Deutsche Genossenschaftsbank Euromobiliare S.p.A.

Goldman Sachs International Corp.

R. Henriques jr. Bank-Aktieselskab

industriebank von Japan (Deutschland) Kleinwort, Benson

Kredietbank (Sulsse) S.A. Landesbank Schleswig-Holstein Merck, Finck & Co.

Samuel Montagu & Co. Morgan Stanley International ıra international Limited

Nordic Bank PLC Pierson, Heldring & Pierson N.V.

Schröder, Münchmeyer, Hengst & Co. Smith Barney, Harris Uphern & Co.

Svenska Hande

Union Bank of Finland Ltd.

M. M. Warburg-Brinckmann, Wirtz & Co. Westfalenbank Yamaichi International (Europe)

HELI ENIC SHIP AND AIRCHAFT

PERSONAL

REDUCTIONS

7th July [Reductions on handbags,

scaryes, umbrellas and costume jewellery.

ASPREY CITY BRANCH 153 FENCHURCH STREET LONDON, EC3

THIS 13 THE AGE OF THE PLANE. Over-fly the rall strike. 7-sest electrica ar-tars evaluable. Semple price London-Glas-gow £695. Cheltenham-Glaspow £595, All Season Avigation Lin: 10 Goog-cester 728741. Tr. 43452 Commer G (Ref. 9100-ASAL).

ENERGY REVIEW

Colombia's rich potential

By Sarita Kendall in Bogota

COLOMBIA'S energy outlook the first five months of the year. is exciting enough to make other Latin American countries -and even Venezuela-envious. and even venezuea—envirous. It is also the key to economic growth over the next 20 years, for apart from supplying domestic needs and boosting national industry, substantial foreign earnings and an escape from dependence on coffee exports are promised energy projects.

As Sr Carlos Zambrano, acting Minister of Mines and Energy, "Colombia has a very otential. We have potential. rich potential. We have developed less than 5 per cent of our hydro-electric potential, and the country has 40 per cent of Latin America's proven coal reserves, even though only seven of our 35 coal deposits have been evaluated so far."
Add to this the fact that oll self-sufficiency is within sight. and natural gas production far exceeds incal needs, and the resulting picture is impressively

The scale of investment required to explore and develop these energy resources is enormous, and more than half the funds will have to come from international agencies and foreign hanks. But Colombia's reputation as a conservative horrower and the standing of the main state energy bodies are important pluses. Earlier this year the World Bank awarded its higgest ever loan in Latin America — U.S.\$359m — for a 1,600 Mw hydro-electric scheme near Bogota, while the state rereived a U.S.\$160m credit from Canada's Export Develop-ment Corporation. A U.S.\$100m being arranged by Lloyds Bank is in prospect.

Only recently has Colombin's outlank on the energy front become so optimistic. It became an oil importer in 1975 at the worst possible moment, when international prices were beginning to soar and local consumption was growing at over 7 per cent a year. Until recently fore-casts were projecting alarmingly high import bills, but the last two years have seen a complete turn-around in the oil

According to Sr : Jose Fernando Isaza, president of the state oil company Ecopetrol: "Maximum imports were reached two years ago. Now there will be small reductions in oil imports year by year for the next few years. Instead of at a little over 140,000 barrels dwindling reserves and falling a day this year, and total production, we have crude pro- imports duction up by 10 per cent in products are expected to be just

under 50,000 b/d. In 1981 Colombia spent \$682m on im-ports, offset by exports (especi-ally fuel oil) worth \$837m. Despite the success of oil exploration efforts, and the fact

and consumption is only increas-ing at 2.5 per cent a year."

In 1978 crude oil reserves dropped to 378m barrels, but an intensive oil exploration proan intensive on exploration pro-gramme has brought them back to 680m barrels. Increases in the prices paid for national crude, combined with attractive that foreign companies are optimistic about further finds. the Government is determined to diversify. Hydro-electric exploration contracts, have drawn foreign companies to Colombia, and at the end of 1981 Ecopetrol had over 40 joint schemes are going ahead as fast as the red tape will allow. Hydro resources are gradually contri-buting a greater share of total venture contracts on its books.

Last year 6i emploratory
wells were drilled with commercial crude discoveries in 14 of
them and natural gas in two
more. This year the target is energy needs, rising from 17 per cent in 1960 to 25 per cent in 1980 and expected to reach 30 per cent by 1990. Inadequate planning and delays in some key projects led

100, with investment probably running to over \$300m and to rationing periods of up to three hours a day last year, but Ecopetrol itself taking an in-creasingly strong role in ex-ploration particularly in lower unusually heavy rains have re-filled reservoirs. With the economy growing at today's low rates—2.5 per cent in 1981— electricity demand forecasts risk areas. Although much of the drilling have been brought down, and serious bottlenecks later in the continues to be concentrated in the country's traditional crude

COLOMBIA

completely

sufficient again in 1986.

including

producing area—the Magdalena To try to ensure coherent long-term planning for the energy sector. President Julio Cesar Turbay's Government commissioned a national energy study, which came out earlier this year. Though the study marks an important step forward in providing an overall policy framework, critics helieve it is too optimistic about the role that can be played by Colombian institutions. Its slant is considerably more nationalistic than current policy, and some of the proposals to curb joint venture schemes involving foreign companies are considered unrealistic.

In particular, the study recommends that the development of Colombia's coal reserves be region has been opened up: in entrusted to Carbocol, with the the eastern Hains, or Lianos, Exxon, Elf-Acquitaine and Ecoadoption of service rather than association contracts. This petrol have made significant dissuggestion reflects criticism of coveries. With these fields in Carbocol's agreement with the Exxon subsidiary Intercor for production, Sr Isaza estimates that Colombia can be selfthe exploitation of the huge Cerrejon deposits, which was Development costs will be heavy, and a pipeline across the high Eastern Andean range to thought to be over-generous in

some circles. The \$3bn northern Cerreion the Barranca-Bermeja refining project in the Guajira region centre will have to be built. Only partial tests have been is already under way. A 150kilometre road adjoining the run so far, and production mine and the port site at Bahia levels are uncertain. The Arauce de Portete has been completed, field near the Venezuelan border has involved drilling to 20,000 and the master contractorsfeet and below for the first time Morrison-Knudsen-are calling porate solar panels. in Colombia, at a cost of some for bids on a number of fronts. The deposits, with reserves of 1.6bn tonnes to a depth of 200 Crude production is running metres, will be mined in open pit style with production beginning in 1986 and rising to 15m tonnes a year.

A broad gauge railway will take the high quality steam coal to Bahia de Portere, which will have a loading capacity of 10,000 tonnes an hour. Both Carbocol and Intercon have been negoand Intercon have been nego-tiating export sales contracts. and gross foreign earning; are forecast at \$2.1bn in 1990 and \$5.1bn for the year 2000.

Smaller scale coal production is due to begin in the central zone of Cerrejon before the end of 1982. Carbocol has a contract the Spanish-Colombian with Domint-Prodeco-Auximi for the exploitation of consortium this area, and output is to start at 300,000 tonnes, increasing to 1.5m tonnes a year. Much of the coal will be used in coastal

Some experts believe Colombia could be supplying 10 per cent of the world coal market by the end of the century—that is, exporting up to 100m tonnes a year. Apart from the southern Cerreion reserves, which remain Cerrejon reserves, which remain untouched, there are major steam coal deposits at La Jarua, San Jorge and in the central area of Colombia. The last region is also rich in coking coal, but there is no immediate prospect of large-scale exploitstion because of transport prob-

Colombia's geology and min-ing institute, Ingeominas, has estimated reserves of coal and 17.7bn tonnes, though the study was limited to seven areas. But there are financial and institutional reasons for not embarking on a plethora of gigantic coal ventures at the same time. and it may be prudent to wait for Carbocol to build up experience at Cerrejon first.

Not all Colombia's projects are as large as those in the coal sector. The Centre for Research in Appropriate Tecinology at Las Gaviotas in the Llanos has put on to the marke: its first commercial model of windmill for supplying sma'! households with electricity in the remote areas where power lines do not and may never reach. Alternative energy sources are now in fact taken seriously enough for Presiden: Turbay to have installed a sola" energy system for heating water in his private residence, and two major housing schemes incor-

With its immediate prospect: already bright. Colombia is well positioned astride the Equator for any future developprofiting from the power of the

COMPANY NOTICES



THE SOUTH AFRICAN BREWERIES LIMITED

NOTICE IS HEREBY GIVEN that the annual general meeting of members of this Company in respect of the car and of 17 March 1782 will be held at 2 Jan Smuts Avenue, Johannesburg, on Friday, 16 July 1382 at 1250 for the following purposes, namely.

1200 for the following purposes, namely.

1. To receive and adopt the Group annual financial statements for the year ended 31 March 1982.

To elect Mesors, A. D. P. Bellamy, R. S. Cohen, D. Gordon, J. M. Kahn and S. Kerzner Directors and to re-elect the following Directors who retire by rotation in accordance with the Articles of Association: Dr. F. J. C. Cronje and Mesors C. Carrington, R. J. Goss and K. R. Williams. To confirm the action of the Directors in fixing the remuncration of the auditors for the year to 31 March 1981 at R143-014 plus expenses of R3-617 and to authorise the Directors to fix the remuneration of the auditors for the past year.

4. To place 22 350 331 unissued ordinary shares of 29 cents each in the capital of the Company under the control of the Directors, who will be authorised to affor those shares on such terms and conditions and at such time, s as they deem lit, subject to the approval of The Johannesburg Stock Exchange.

b. Special Business
To pass the following resolutions, the reasons thereof being contained in the Report of the Directors for the year ended 31 March 1982:
As special resolutions, with and/or without modification As Special resolutions, with analysis whose into the Association of the Company the 10 000 000 units led 5.6 redeemable cumulative preference shares of R1 each in the capital of the Company be subdivided into 50 000 000 rodeemable cumulative preference shares of 20 cents each.

5.2 THAT, subject to the passing of 5.1, the 50 000 000 redeemable cumulative preference shares in the capital of the Company be converted into 50 000 000 ordinary shares of 20 cents each, ranking part passing all respects with the existing ordinary shares of the Company.

As ardinary resolutions:

5.3 To place the 50 000 000 innesued ordinary shares of 20 cents each arising from the above special resolution, under the control of the Directors, who will be authorised to affor those shares on such terms and conditions and at such time/s as they deem fit, subject to the approval of The Johannesburg Stock Eachange. 5.4 THAT the SAB Executive Share Purchase Scheme approved by shareholders in July 1974 be and it is hereby amended by—

hereby amended by—

5.4.1 increasing the number of ordinary shares which may be purchased or subscribed for by the trustees in terms of clause 3.3 thereof to 8.500,000; and

5.4.2 increasing the number of shares in respect of which any participant may be invited to apply to acquire options from 150,000 to 300,000.

5.5 Pursuant to and conditional upon the passing of resolution 5.4.1, to place 3.500,000 ordinary shares of 20 cents each in the capital of the Company at the disposal and under the control of the Directors of the Company, who are authorised and directed to allot end issue the same to the Trustees of the SAB Executive Share Purchase Scheme.

Any member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote in his stead, and the person so appointed need not be a member. Proxy forms should be forwarded to reach time registered office of the Company at least 48 hours before the time fixed for the holding of the energing.

the meeting. NOTICE IS ALSO GIVEN that the transfer books of the Company will be closed from 12 to 16 July 1962. 2 Jun Smuts Avenue Johannesburg 2001 26 May 1982

There are no Directors' service contracts which are required to be made evallable for inspection prior

There are no Directors' service contracts which are required to be made evaluate for inspection prior
to the annual general meeting,
 Proxy forms for use at the meeting may be obtained from the Group Secretary, Transfer Secretaries or
London Secretaries at their respective addresses set out on the inside front cover of the Annual Report.
 A copy of the SAB Executive Share Purchase Scheme will be available for inspection at the registered
office of the company and the offices of the Transfer Secretaries and London Secretaries prior to the
annual general meeting.



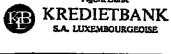
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In accordance with the provisions of the Notes, notice is hereby given that for the interest period from June 21, 1982 to December 21, 1982 the Notes will carry an interest rate of 16 % % per annum.

The interest payable on the relevant interest payment date, December 21,1982 against Coupon no4 will be US\$ 8,323.96 per Note.



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£5.000.000 Bills isued on 23 June 1982 at a rate of 1219 64% to mature on 22 September 1982. Total applications were £20 000,000 and there £28,000,000 Bills outstanding.

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laxes

This distribution is in respect of the regular quarterly dividend payable on the common sheres P.V. 52.50 J. P. Morran & Company Incorporated on the 15th July 1982. **LEGAL NOTICES**

NOTICE OF MEETING OF CREDITORS PETER SWAINS LIMITED

NOTICE IS HEREEY GIVEN, pursuant to Section 293 of the Companies Act, 1948, that a Meeting of the Creditors of the above-named Company will be held at The Bonnington Hotel. 92 Southernston Row, London, WCI, on Monday, the 5th day of July 1982, at 1.30 clother in the atternoon, for the purposes mentioned in Sections 293, 294 and 295 of the said Act. Deted this 14th day of June 1982. By Order of the Board, D. ROWLEY,

INVITATION OF THE SHAREHOLDERS OF THE HELLENIC SHIP AND AIRCRAFT INSURANCE COMPANY S.A. TO THE OPDINARY GENERAL ASSEMBLY

at the larget 3 may profe to the fine freedom.

In Greece, with the Company's Cashier or with the Consignment Deposits and Loans Fund or with any Bank in Greece, and house fund of with any Bank in Greece, and proad, with any one of the recognised forming banks, of the General Meeting has been set forth at hereafter.

(1) Report of the Board of Directors on the Company's activities during the seventhent year of arcusts 1981 and Balance Sheet as at the 31st December 1981.

(2) Auditors' report on the Balance Sheet as at 11st December 1981.

(3) Annoval of the 1981 administration as well as of the Balance Sheet as at 11st December 1981.

(4) Peleage from any lightite whatsoever for indemnity in ronnection with the 1981 administration and with the Palance Sheet as at 31st December 1981.

(4) Peleage from any lightite whatsoever for indemnity in ronnection with the 1981 administration and with the Palance Sheet as at 31st December 1981.

(5) The Managing Director and the Managing Directors and the Managing Directors and the Managing Directors and the Managing Auditors one of which must be a member of the Institute of Chartered, Accountants as well as of an equal number of the Institute of Chartered, Accountants as well as of an equal number of the Institute of Chartered, Accountants as well as of an equal number of the Institute of Chartered, Accountants as well as of an equal number of the Connectors and the Managinent to the Directors and the Managinent, or other was of order concerns pursuing similar me. 1982.

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veloped sites in the village of Great-land.
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a; June 23 1987

Producer group to 'complement' tin pact

OUTLINING THE planned tin tin producers. Malaysia, Indo- the tin market are many, but it Datuk Paul Leong, Malaysia's nesia and Thailand, which said they wanted a producers' primary industries minister, association alongside the ITA, explained that tin-producing will meet in Bangkok next countries needed a producers' Tuesday to finalise the draft of yulnerable under a dractically

This fluxt approach were a scaled-down sixth International Tin Agreement (ITA).

It was obvious that there were situations with which the agreement could not cope and the tin producers' association was intended to "complement and supplement" the ITA in ensuring that prices "are remunerative to producers and fair to consumers," he said

Since only 51 per cent of the consumer nations were pre-pared to join the sixth ITA, due to operate from July 1, the amount of tin the buffer stock mmager could buy was only 34,000 tonnes instead of the original 50,000 tonnes. The current market excess was estimated at over 70,000 tonnes.

The three South East Asian

TIN PRODUCERS and con-

sumers are likely to approve the sixth International Tin

Agreement, which starts on July

I, at talks in Geneva today its effectiveness may be damaged by last Saturday's

decision to create a separate tin

seen as reflecting the determina-

tion of Malaysia, which provides

35 per cent of world exports, to

influence tin prices through aggressive policies including

Malaysian acquiescence to

operating the international

agreement came under pressure

from Indonesia and Thailand.

the other key producers. It

reflects their common reluc-

tance to displease the European

Community and Japan, the main

might again end inconclusively

if the Community, which said it

wants to operate the agreement

in spite of insufficient ratifica-

tions, introduces new conditions

in the light of the producers' clear lack of confidence in the

There is a risk that the talks

importers.

righter controls on supplies.

Creation of the association is

producers' association.

This dual approach was a compromise between Malaysia, which wanted to leave the ITA and form a producers grouping, and Indonesia and Thailand which wanted to stay in.

Datuk Leong said the proposed producers group aimed to institute supply rationalisation measures (a euphemism for production cutbacks) and oufferstock operations in times oversupply. undertake research and development on tin, and reduce the involvement

of third parties in the marketing of the metal It is quite clear, therefore, that in future, if the International Tin Council is slow in responding to crises, tin producers will turn to their

exclusive club, Malaysia's grievances about with teeth.

ON THE Loudon Metal Ex-

change tip prices fell back on

profit-taking following Mon-

day's upsurge, caused by the news that Malaysia had changed its mind about pull-

ing out of the tin agreement.

The cash quotation, which rose £820 on Monday, ended

the day £150 down at £6,145 a

agreement. The producers' association, if it works effec-

tively, may nullify the benefits

the Community expects to get

The main benefit the EEC

expects is the right to a sub-

stantial pay in producers'

policies designed to influence

tin prices and markets. It also

wants to prevent "manipula-tion" of the market by pro-ducers such as last February's bulk buying by unidentified

traders to push up prices. The Commity suspects that the pur-

chases were made on behalf of

producers flouting traditional

was particularly angry with the prices, said Dr Subroto, would release of U.S. stockpile even best be carried out by the ITA. in a depressed tin market, the slowness in the ITC in agreeing ITA functioning effectively export controls, and the ruling according to the draft agreement by the London Metal Exchange in the fields of remainerative to limit penalties early this price stabilisation, buffer stockyear when sellers were caught ing and export controls," he in a tight spot by a mysterious said. Dr Subroto denied that it tin buyer, believed to be acting was Indonesia's intention to set behalf of Malaysian up a tin cartel.

He hinted that Indonesia was

Datuk Leong said he expected still lukewarm about the idea of a tin producers' association ion cutbacks" in the coming and implied that the decision tion cutbacks" in the coming months since there was no other way to bring supply-demand equilibrium to the market. The producers association

would be opened to other prosuch as Bolivia. Australia, and Nigeria, he said. Jakarta: Announcing Indonesia's and mining practices, ways and decision to join the producer means of making the tin pact here yesterday Dr industry more viable and search-Subroto, the country's Minister ing for better ways of utilising for Mines and Energy, did not appear to favour an association

by copper which registered

its first substantial gain for some weeks in rising £30.75 to £721 a tonne for high grade

cash, in spite of the modest

rise in sterling. Cash lead ended £12.50 up at £294.50 a

tonne while cash zine gained

The international agreement

looks unattractive to Malaysia because it has been ratified by countries representing only 50

pared with more than 80 per

One result is that the original

buffer stock of 30,000 tonnes

reduced to about 18,000 tonnes

because of the absence of the

£15 to £385.50 a tonne.

cent of production.

with Malaysia. Indonesia clearly sees the organisation functioning in a ry different way from Malaysia. Richard Cowper writes from association to discuss production

agree to set one up at all was

in the nature of a compromise

Control of production and prices, said Dr Subroto, would

"We would like to see the

"I would like to see it as an tin-a nice forum for further exchange information.

Sixth ITA approval likely today producers it sees no reason for The other leading base metals rallied meanwhile, led sharing the power to decide on

the size, timing and nature of

with

consumer

controls

countries. The Community, which has already suggested that the tin agreement be reviewed after only one year, may make its ratification conditional on

"appropriate performance." It would assess after a year whether producers have kept their side of the bargain by acting on markets only in cooperation with consumers and in conformity with consumer interests as well as their own.

Japan is in a weaker bargaining position than the Community, which takes about 27 financed equally by producers munity, which takes about 27 and consumers may have to be per cent of tin imports, and also has very different interests. Japan which buys 17 per cent of tin imports, depends heavily on the South-East Asian group Malaysia is convinced that on the South-East Asian group such a small stock will fail to of countries for several raw stabilise prices, making export materials including rubber. It controls essential. Since such is also trying to increase busicontrols are applied only by ness with them in many fields.

Danes fight **EEC fishing** cuts plan

By Dudley Hunt in Copenhagen

DENMARK'S Fishery Minister Karl Hjortnaes started a twoday trip yesterday to gather support for his fight against EEC fishing proposals.
His first stop was in Holland

where he had talks with Mr A de Koning, the Fishery Minister. Today he has a meeting in Paris with Mr Louis le Pensen, the Maritime Minister.

Mr Hjortnaes's main objective is to change the proposed total ban on Danish fishermen catching mackerel. This year Danes are expected to catch about 22,000 tonnes and it is feared the ban would destroy this part of the fishing industry which last year earned Kr 180m (£12m) of the country's total fish exports of Kr 6,700m.

The EEC proposals would give Denmark about 24 per cent of the total allowable fish catch and this is considered unacceptable in Copenhagen.

The Danes want a common fishery policy but say it is ridi-culous to shut down part of their industry which receives no government support in order to open subsidised processing plants in other countries.

Officials say it is essential that the deal is hammered out next week before Denmark takes over the chairmanship of the EEC otherwise it may be necessary to hold over talks for six months.

Rain and floods damage Cuban tobacco crop

HAVANA—Cubo's recentlyharvested tobacco crop suffered substantial but not critical when damage " Alberto early this month and torrential rains at the weekend hit the island's region tobacco growing region. Pinar del Rio, according to a Cuban official. Preliminary estimates indicate that about 950 tonnes of tohacco leaf were lost and 1,300 tonnes demaged when the sheds were hit by flood waters in the

PORTUGAL

Agriculture plan aims to cut imports bill

THE PORTUGUESE Government has devised a master plan for the country's chronically-backward agriculture industry.

The plan — called A change for Agriculture — aims for annual growth of agricultural production of two or three per cent, and investments of Es 21bn to Es 29bn (\$256m to \$353m). This would gradually reduce Portugal's dependence on imported foodstuffs and animal feeds from the present 74 per cent of domestic demand to 25 per cent it is estimated.

At the end of 1981 it was estimated by the Agriculture Minister Sr Basilio Horta that owing to last year's drought, general under-capitalisation and lack of efficiency in farming, up to \$1.5bn worth of food and animal feeds would have to be imported in the 1981-82 period.

The new plan calls for a massive injection of capital and technology, aimed at easing the strain on the balance of payments caused by this level of

small-scale farmers, mostly in the north, who concentrate on tiny vineyards and some maize or vegetables for family consumption. What larger farming there is — modest by West European standards generally in the centre (orchards, rice and cattle) or in centre generally the south in the Alenteio where pheat, cork and olives are produced.

With approaching accession to the European Economic Com-munity Portugal's shaky agricul-ture has to be tackled with technical and financial energies that were lacking in the past. Before it can be put into action, the plan must be debated in Parliament which could take months — but it is at least a sten towards an integrated approach for what is arguably Portugal's most depressed

Portugal has about 800,000 imported grain she needs from the U.S.—about \$700m worth in 1982, of which half is covered by concessionary terms from the Commodities Credit Corpora-

> This in itself is sufficient reason for trying to boost domes-tic output, which has only grown New capital could help a situation where, according to agricuture officials. Portugal depends on imports for 90 per cent of oilseeds, 74 per cent of grain and all its sugar.

> Meanwhile, the agricultural balance of payments deficit soared from Es 580m in 1970 to Es 51bn in 1980, a good agricultural year.

To make Portuguese agriculture more efficient, the plan calls for altered use of landfor instance, switching areas EEC membership means more now used to produce low-grade expensive food imports, despite grain to pasturage. This would the Community's compensatory step up domestic production of systems. At present Portugal animal feed, which is now buys the lion's share of the heavily imported.

EEC calls for cereal agreement

BY LARRY KLINGER IN BRUSSELS

yesterday made an urgent plea for the resumption of negotiations on an international cereals agreement to provide food security for the developing world, especially poorest countries.

Mr Poul Dalsager, European Commissioner Agriculture, renewed the EEC call before the World Food Council's ministerial meeting in Acapulco, He said that continued inaction by the world's grain exporters would only increase the risks for the world's hungry.

"The European Community," he said, "considers that the international community cannot

THE European Community remain inactive before this necessary and agreements conurgent problem."

Mr Dalsager gave a qualified stability if, as suggested, stockwelcome to council proposals building was to be financed by for creating a cereals reserve using existing buffer-stock purchased by low-income countries and held, if possible. purchased on their territory.

The EEC was in favour of the objectives of such a programme and was ready to open negotiations, but there were several questions to be resolved. Any storage system had to be

that it did not disturb internal markets or production policy.

Mr Dalsager emphasised the Community's current aid programme and recent decisions taken on agriculture cooperation with developing countries

cluded to protect world market

The EEC was attempting to mitigate world hunger problems integrated with the importers' own agriculture development 50 tional food aid worth \$40m, which had increased direct Com-

facilities

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Oct	285.25	+4.26	385 68-81 95
Nov	288.25	+5.00	297 50 88 00
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Gold rose \$104 to \$3054-3064 bar was fixed at DM 24,090 per rin the London bullion market kilo (\$304.01 per ounce), against rin the London bullion market kilo (\$304.01 per ounce), against yesterday, reflecting the easing of the very strong dollar on the foreign exchanges. The metal opened at \$2991.3001 and was fixed at \$301.75 in the morning.

1 and \$304 in the afternoon. It and \$304 in the efternoon. It opened at the lowest level of the day and touched a peak of

In Paris the 121 kilo gold bar was fixed at FFr 66,000 per kilo (\$300.34 per ounce) in the afternoon, compared with FFr 66,000 (\$299.90) in the morning, and FFr 65,000 (\$293.17) Monday

August ... 178.90-9.00 -4.175 178.85-5.18 Sept mir 1180.20-0.05-44.925 October ... 161.80-2.59-4.025 189.10-78.1 Novamber 183.25-3.85-4.005 December 185.20-5.49-5.775 afternoon.

Turnover 1,237 (853) lots of 100 troy
In Frankfurt the 121 kilo gold ounces.

June 21 (£1711₂-172) (£1711₂-172) (£172.574) (£172.229) Gold Coins June 22

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Contact Mark King or Jeremy Metcalfe Commodity Analysis Limited 37/39 St Andrews Hill London EC4



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HOTELS

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LONDON FUTURES Month Yest'rday's +or Business
Close — Done

Lead—Morring: Cash £288, 87.5, 87; three morrins £307. 300, 300.5, 300, 299.5, 300, 299.5, 89, 98. Kerb: Three months £297, 98, 98, 99, 300. Ahermoon: Cash untraded: three months £301, 300.5, 01, 03, 04, 05, 04.5, 05, 05.5, 05, 04.5, 05, 06, 08. Kerb: Three morrins £305.00, 04.50, 04.00, 03.50, 03.00, 02.00, 01.50, Turnover: 18,775 £20.005.

BRITISH COMMODITY MARKETS

BASE METALS BASE METALS were sotsrely traded on the London Metal Exchange, with saveral strong raties after the recompile weakness. Copper staged the first reel recovery for some weeks, closing at £744.5, while Last, was finally £301.5, Zine £39.5 and Aluminium £540. The lost some ground to close at £8,256, and Mickel was a little lower at £2,980. 2980-82 -41.5 2985-95 -22.5 2990-3086 -17.5 2995-3000 --15 * Carris per pound. \$ MS per kilo.

SILVER

Amerigameted Metal Treding reported that in the morning copper higher grade was cash untraded; three mornins £738, 39, 41, 40, 39, 39.5, 39, 38.5, 39, 40, 39, 38.5, 39, 39.5, 39.39.5. Certhodas: Cash untraded, three mornins £731. Kerb: Highter grade three mornins £731. Kerb: Highter grade three mornins £739, 38, 37.5, 37, 38.5. Cethodas untraded, Altermoon: Higher grade cash untraded; three mothers are cash untraded; three mothers grade cash untraded; three mothers SiLVER Bultion + or LM.E. +or per fixing price Unoffic 1 Cathodes untraded, Attention: Higher grade cash untraded; threa mothins 1789, 40, 38.9, 744, 43.5, 43, 42.5, 43. Cathodes: Cash untraded; three months 1794, Kerb; Higher grade three months 1794,00, 43.50, 44.00, 45.00, 1.M5—Turnover 130 (62) lots of 10.000 uzs. Morning: Three months 297, 96.5, 96, 96.3, 56.5, 97.5, 97. Kerb: Three months 297.5. Afternoon: Three months 302.5, 03.5, 04, 03.5, 03, 05.5, 05. Kerb: 304.5, 04.0, 05.0,

COCOA

COFFEE

COFFEE

Futures remained steady in thin volume as lobbers and commission houses covered shorts. Sureer shipment sales by Brezilien shippers were

sufficient to, limit the earlier modest gains, reports GIH and Duffus. COCOA Yest'dzy z + or Business Close — Done

tonnes.
10CO—Daily price for June 22: 70.00 (69.36). Indicator price for June 23: 69.88 (70.18).

Yesterday's Close + or Business Done

TIN Official - Unofficial -

NewYork:

Tin—Morning: Standard cesh £8170, 60; three months £8250, 30, 50, 60, 90. High grade: untraded. Kerb: Standard tires months £8250. High grade: untraded. Afternoon: Standard cesh untraded; late sept £8250; three months £8230, 40, 50, 45, 40, 50, 40; High grade: All untraded. Kerb: Standard three months £8250, 60, 50, 50. High grade untraded. Turnova; 1,930 tonnés.

calculations using 5 days' exchange rates) is expected to remain unchanged. RUBBER

wake of the hurricane.

The London physical market opened slightly easier, attracted fair interest throughout the day, and closed about steady. Lewis and Peat recorded a July fob price for No. 1 RSS in Kuala Lumpur of 203.75 (203.5) cents a kg and SMR 20 174.5 (same).

No. 1 Yest'r'ys Previous Business Done

SOYABEAN MEAL

Opening gains were of around £1.00 on short-covering with the market failing to penetrate recent lows, reports T. G. Roddick. Prices remained steady and with late commission house buying closed on the highs. £ per tonne

SUGAR

LONDON DAILY PRICE—Raw auger, 199.00 (199.00) a tonne oif June-July-August shipment. White sugar daily price 2(34.00 (2/37.00)). Reports that India had recently placed 140,000 torines into the second-hand encouraged short-covering end prices rallied, reports C. Czarnikow. No. 4 Yesterday Previous Business Con-tract close close done

Small opaning losses were gradually eased as early trade buying emerged to suport values, reports Drexel Burnham Lambert. Persistent commission house selling was the dominant feature of the afternoon. Seles: 4488 (2.182) lots of 50 tonnes.
Tete' and Lyle delivery pints for granulated basis white sugar was £374.00 (same) a tonne tob for home trade and £004.00 (£200.50) for export.
International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for June 21: Daily price 6.50 (6.51): 15-day average 8.78 (6.86)...

PRICE CHANGES

-		_	_
	June 22 1982	+ or —	Month ago
Metals			2012-07
Aluminium Free Mkt Copper	£810;815 \$890;920	+10	2810/816 8949/960
Dash h grade	2742.75	+50.75 +31	£814 £843,75
Cash Cathode 3 mths	2712 2734	+28,5	
Gold troy oz	\$306 <u>.2</u> 5	+10,25 +12,5	\$328,25 £310,625
Nickel	£3922		£323,25 £3974
	230;260c		240/270g 2260
Platin'mtr oz'y Freemkt Quicksilveri	\$145.35 \$370:380	14 Q	2165.75
Silver troy oz & mths.	287.80 ₂ 296.80 ₂	19 R	#365/176 358,95p 370,65p
Tin Cash	26145 26245	<u> </u>	26865 27017,5 \$109.01
Tungsten22_6 (b)	\$110 . 92 {		
Wolfrm 22,4 0bs Zinc Cash 3 mths	116/16 2385,5	+15	\$100 112 241 2415,25
Producers	\$800	T 10,23	\$365/800 \$365/800
Olia Goconut (Phil)			\$512,5
Groundnut Linseed Crude	£365		\$522·5
Palm Malayan	5330	C.a.+	9335 9335
Copra Ph lip! Soyabean (U.S.) Grains		+8	3271
BarleyFut. Sep	2137.00vl	[£104,50 £138,00
Wheat Fut Sep	2107-90	+0.1	£109,25
Other			
commodities cocca ship to Future Sept	2912		2950 2924,5
Coffee Ft' Sept	E1135	_a .	£115B 5
Gas Oil Julyif	280	+0.25 :	76,70e \$299,25 \$3,5p
Rubber (kilc) Sugar (Raw) Yoolt'ps \$4e ki.	2990w 398p Kilo	+3	£110 397pkiljo
in tonnes un ‡ Unquotedx	less othe	rwise	

† Unquoted, x Aug-Sept. u June-July. y July. w Aug. † Per 76 lb fleshk. "Ghana coconut. n Nominal. § Seller.

-INDICES-

FINANCIAL TIMES

June 21June 18 M'th ago Y'ar ago 224,38 222,74 239,80 246,37

(Base: July 1, 1952 - 100) RELITERS

June 22 June 21 M'th ago Y'ar ago

1503.6 1490.6 1557.3 1787.0

(Base: September 18, 1931 = 100)

June 22 June 16 M'th ago Yar ago 966,6 964,9 1001 1088,6

AMERICAN MARKETS

Monday's closing prices

NEW YORK, June 22.

THE precious metals after early buying attracted late selling on Israel's call for a cease-fire. Copper was firm on continued short covering Sugar rallied sharply on technical buying and short-covering on the lack of reaction to news of Indian sales. Cocoa and coffee recovered on light short covering from an oversold condition. Cotton continued to show gams on heavy damage to the Texas crop, reported Heinold.

Heinold.

114(30). Dec 1454. March 1520, May 1565. July 1605. Sept 1650. Seles: A,000.

Coffiee—"C" Contract: July 136.75-137.10 (137.82). Sept 127.00-127.10 (137.82). Sept 157.00-135.20 (148.94). Seles: 1,435.

Copper—June 55.20 (54.55). July 55.30-55.65 (54.90). Aug 56.30. Sept 57.00-57.40. Dec 59.60-59.90. July 65.70. Sept 66.50. Dec 69.00. Jan 69.25. Cotton—No. 2: July 64.90-65.00 (83.35). Oct 67.65-67.80 (65.95). Dec 82.78-89.90. March 70.70-71.00. May 22.5. July 73.40-73.50. Oct 74.00. Dec 86.85.50. Dec 88.79. Sept 86.90-88.75. Oct 99.50-89.80. Nov 90.30-80.45. Dec 91.55-91.60. Jan 91.50. Feb 91.55-91.60. March 100. Jan 91.50. Feb 91.50. Feb

munity aid by the equivalent of In-depth studies would be

22).0-319.8. March 330.7. June 342.2. Sept. 354.0. Lard—Chicago loose 23.00 (same). Live Cattle—Aug 64.05-64.00 (64.70). Oct 59.90-56.00 (60.75). Dec 60.55-60.70, Fab 60.65-60.60, April 60.30, June 61.97. Live Hogs—July 59.20-59.05 (58.87). Aug 53.10-58.40 (57.27). Oct 55.30-55.32, Dec 54.85-54.60, Fab 52.70-52.55, April 49.55-49.60, June 50.70, July 50.65, Aug 51.25.

amage to the Texas crop, reported #Maize—July 275½-275½ (274), Sept 170-271, 275½-275½ (274), Sept 170-275½-271½ (269½), May 288½, July 170-275½-271½ (269½), May 288½, July 170-275½-271½, Constant of the Texas crop, reported #Maize—July 275½-275½, Constant of the Texas crop, reported #Maize—July 275½-275½

EUROPEAN MARKETS

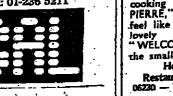
ROTTERDAM, June 22
Wheat — (U.S. \$ per tonne): U.S.
No. 2 Dark Herd Winter 13.5 per cent afficial 213 traded, affort 214, June 21, July 174, Aug 174; U.S. No. 3 Amber 226, Nov-March 234 sellers: Brazil affort 218, Sept 180; U.S. No. 2 Northern Spring 14 per cent June 179, July 176, Aug 178, 21 traded; Pellets Brazil affort 218, June 174, Sept 174, Oct 176; Canadien Western Red Spring July-Sept 195.
Malze — (U.S. \$ per tonne): U.S.
No. 3 Yellow affort 125, June 124.50, July 126, Aug 126, Sept 125, Oct-Dec 1515/1525, March 1510/1615, May 1700/141, Sept 174. Sept 174. Sept 174. Sept 174. Oct 175. June 124.50, July 126, Aug 126, Sept 125, Oct-Dec 1515/1525, March 1510/1615, May 1700/141, Sept 174. Sep

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WORLD STOCK MARKETS

NEW YORK Stock June June 18	Stock June June 18	Stock June 21 1 Gt. Atl. Pac. Tea. 6 6 Gt. Basins Pet. 2 2 Gt. httm. Nekvoes 307; 31	MGM	Stock June June 18	Slight	early	Wall		lly
AGF Industries 3013 3014 AMF	Combined Int 1854 19 Combined Int 1854 2316 Combista. Eng 24 2316 Comm. Satellite 5178 51	Gt. West Financi. 105g 10 Greyhound	Minnesota MM 51 14 5078 Missouri Pac 544 5514 5514 5614	Scott Paper	FURTHER BARGAIN and short covering gav Street a fresh slight training active early trading	hunting Toronto Composite te Wall 1.6 to 1.357.3, alt ally in declines led gr yester Exchange by 170	e Index firmed said pros though overall in the fi sins on the tronics w to 131. the popu	pects for high growth eld of industrial elec- ere apparently behind arity of those shares.	yesterday, but at a slower pace with Metal stocks showing some resilience in line with general metal prices overseas.
Acme Gleve	Cone Mills 287s 501s	Gulf Oil	Murphy (GC) 1278 1246 Murhy Oil 2058 2014 Nabisoo Brands 3378 3538	Sedco	day. The Dow Jones In Average, which falled to seven-point initial recov Monday and closed on	hold a index up 47.5 to 1 mines rose 1 to C ly 1.33 hell Red Take 1 to	issues showed Y810, Fu. of with the Y70 to Y 396.2 as Dome to Y2.260 \$71 and Camp to Y3.90	3390, Victor Japan Y60 TDK Electronics Y80 J. Fuji Photo Y30 to Jicoh Y4 to Y475 and	The All Ordinaries index slipped 2.5 more to 459.8, moving closer to the 455.6 level set on March 10 this year, which is the lowest point for the index since its compilation at the beginning
Albany Int	Cont. Air Lines 313 378 Conti. Corp 2319 2334 Conti. Group 264 2559 Conti. Illonis 3514 2514 Conti. Talep 1588 1574	Harris Bancp	Naico Chem	Simplicity Patt	harder on balance, was up 792.33 at 1 pm yesterday NYSE All Common Index up 6 cents to \$61.79, advances led declines.	y. The 18.6 to 2.335.1 and Keeped Minerals 2.7 to 1 by a Tokyo	s index put on Toyota M d Metals and Specula ,193.2. covered, Mining ac	otor Y20 to Y1,020. tive gold mines re- with Sumitomo Metal Iding Y50 at Y766 after	of 1980. The Oil and Gas index lost 6.4 at 412.6 and Industrials 4.6 at 627.6, but with the Metals and Minerals index just 0.9 easier at 309.6.
Allied Corp	Cooper Inds 2678 2872 Coors Adolph 1078 1078 Copperweld 1812 1812	Hershey	Nat. MedicalEnt 15½ 1354 Nat. Semicouctr. 204 20 Nat. Service Ind 24 24½ Nat. Standard. 94 914 Nat. Steel. 15 1478 Notomas 1612 1638	Soneste Intl	margin of about 30 issue ing volume totalled shares, against the registered at 1 pm on Mor Interest continued to f	39.85m. With the yen 37.63m slightly after its iday weakness against to ocus on showing overnigh	picking up recent marked he U.S. dollar, Wall Street t also alding Wall Str	hearted technical re- line with the overnight set trend left Bourse	There was scattered bargain hunting, but brokers attributed the overall easier tendency to a continuing lack of interest among investors.
Amax	Corning Glass 447s 447s Gorroon Black 201s 197s Cox Bros. cast'g 251s 247s Crane 227s Crocker Nat 268s 26 Crown Cork 23 23	Holiday Inns	NGR	Sthn. Pacific 30 2912 Southlands 31 303s S.W. Bencsharas 231g 231g Sperry Corp 223g 221s Spring Wills 257g 25ag Square D 245s 246s Squibb 341g 351g	Cities Service, by far the active issue with turned some 1.3m shares. The structure 1½ to \$55. Mesa Petroleum, which battle to acquire Cities	ock was chiment, selection ock was chiment, sele	in the Blue Commerzionered some in the Trieved 2	i at 681.2. however, said trading	Overall market leader BHP opened weaker; but ended a net 6 cents up on the day at A\$7.06. CSR picked up 5 cents to A\$2.55 and Western Mining 2
Am. Can	Cummins Eng. 27 2634 Curtiss-Wright 3812 3845 Damon 618 654 Dana 26 52 2618 Dart & Kratt 52 5134 Data Gen. 2758 2658	Hoover Uni	Nicor inc	STD Stands Paint 231g 251g Std Off Cliffornia, 293g 293g Std Off indians 401g 411g	picked up % to \$14% on trading while Gulf Oll, viake-over bid for Cities a share, shed % to \$27%. Oil stocks generally easo	with its of \$83 exceeded Monday thin 110m. The Nikkei-Dow	although this be described a pronou ment by Jones Averagain cit	highess and count not beed as having witnessed need change of senti- a-worried market. They ed the U.S. dollar's	cents to A\$2.90, but Central Norseman Gold lost 10 cents more to A\$3.10 and North BH 5 cents to A\$1.70. Oil and Gas issue Santos rallied 5 cents to
Am. Hosp. Suppy: 421c 421c	Dayton-Hudson 371s 361s 263s 263s 263s 32 243s 243s 244s 245s	Husky Oil	Nth. Am. Philips. 37 3612 3734	Std Oil Ohlo	active Phillips Petroleum \$283. Superior 1 to \$253, Si Oil California 2 to \$288 an 1 to \$363. High interest rates selling of Utility issues, a	tandard past six trading down 36.59 on Mor 36.85 to 7,127.96. caused index picked up 2	days and was day, recouped the Tokyo SE west. Ge:	factors hampering a solitious recovery for man shares. Interest ties also remained by a continued down-	A\$4.80. Hong Kong Drawing a litle encouragement from the Wall Street rallying
Am. Stores	Detroit Edison	U Int	Nwestn Mutual 9 913 1614 1614 1614 1614 1614 1614 1614 1614 17	Sun Co. 3514 53 Sundstrand 2512 2514 Superior Oil 2514 2514 Super Val Strs 1745 1658 Syntax 55 3473 TRW 4714 4714 Taft 29 29 Tampax 3236 3256	Dow Jones Utilities A was off about half a poly only market index on the side. Among the more issues in the group wer lina Power, unchanged	Average likely to remain in int. the ing phase for a edown with its fate hing active how U.S. interested to the care move and how	while longer, ing largely on at rates will wall Street DM 31.20	that AEG's drastic reg plan will bring the back to profitability to ts stock DM 2.40 to The Electricals con-	attempt overnight, Hong Kong markets staged a very mild technical recovery in further light trading yesterday. Part of the improvement had been eroded by the close, with
Anchor Hockg 145a 135a Anheuser-Bh 5014 5014 Archer Daniels 14 14 1618 17 1618 Armstrong OK 155a 15ac Asamera Oil 67a 65a 65a	Disney (Walt)	Inland Steel	Ogilvy & Mrth	Tandy	Pacific Power and Light to \$16%, and People's Ene 2 to \$7%. MCA climbed \$2 to \$6 stock has been steadily	t, off that market par rgy, off believe that U.S. will begin to sho downturn in the n rising a decided minorit	r, they auded the cern fell to an interest rates we a sustained ear future are DM 211.5.	DM 3.30 on Monday all-time closing low put on DM 1.60 to and SEL DM 3.50 to	the Hang Seng index, which fell 38.77 on Monday, retrieving a mere 7.49 on the day at 1,274.10 after a mid-session 13-point gain. Turnover amounted to
Asarco	Duke Power	Inti. Flavours	Owens-Corning 1554 1559 Owens-Hilinois 2226 22 HH Group 1858 19 PPG Inds 3024 3034 PPG Pahat Brewing 1972 2029 Pac. Gas & Elect 2559 2578	Tesora Pet	since the opening of MC/ "ET," which has been ve- cessful at the box office. THE AMERICAN SE Value Index improved 246.23 at 1 pm. Volume	pushed up a num Market orientated issues a 0.55 to Chips, but Dome	in hunting tinued his ber of export- and other Blue stic Industry DM 201 orded narrow pfennigs	gh production in May, ler advanced DM 4.50 89.50, BMW DM 1 to and Volkswagen 30 to DM 141.80	HK\$154.06m on the four exchanges, compared with the previous day's HK\$147.10m. Brokers called the response oredictable given the U.S. market action on Monday. They cited
Avnet	Eastern Airlines. 51s 53s 53s 53s 53s 53s 53s 53s 53s 53s 53	James (F5)	8 Paim Beach 155g 155g Pan, Am, Air 35g 35g Pan, Hand Pipe 26 25% Parker Drilling 114 115g Parker Hanfn 157g 157g 157g	Textron	canada Markets were mixed that the country after moderate that the country and the country and the country after that the country and the cou	issues were pre Oils edged up at mid steadier performa activity. Matsushita grou de, the cluding Matsush	ferred, while recouped on the yea's by rising ahead of the shares, in the Electric on demands	Monday's DM 9 loss DM 13 to DM 404 cresults. In Steets, se DM 1.60 to DM 26.20 ld from a major com-	the light trading activity as evi- dence that most major investors remain on the sidelines, with some smaller operators simply looking for quick short-term profits. They predicted that the
Bankers 7st N.Y. 27 2714 Barry Wright 141s 401s Barst Trav Lab 3331 357s Beatrics Foods 18 181s Beker Inds 53s 53s Bell & Howell 193s 193s	Elect. Memortes. 37s 37s 37s 181s 181s 181s 181s 421s Emerson Elect 423s 421s Emery Air Fgt 8 84 Emhart 321s 317s Engelhard Corp 181s 193s	Joy Mnf	Penney (JC)	Timken	Closing prices for America were not ave for this edition.	North Matsushitz Electricaliable Matsushitz-Kotobultronics, drew atter	e Trading and Austr		market will continue to take its rue from Wall Street in coming
Bell Industries 145s 4514 4514 4514 4514 173s 173s 173s 173s 173s 173s 173s 173s	Enserch	Kaufman Brd	8 Petrie Stores 224 221s Petrolanes 145s 145 8 Prizer 541s 535s 2 Phelps Dodge 211s 214s 9 Philps Captr Inc. 214 215s Phills Morrie 4551 451s	Transway	CANADA Stock June 13 18 18 18 18 18 18 18	Petrofina 4,495 -20 Royale Beige 5,150 -14 Soc. Gen. Bang. 2,255	0 Ahold	ANZ Group 5.60 1.30 Acrow Aust 1.30 Ampol Pet 1.25 Assoc. Pulp Pap 1.50	+ or June 22 Price + er -0.95 Kubota 581 -0.95 Kumpaei 375 + 5 -0.95 Kyoto Geramic 5,480 -0.95 Kumpaei 512 + 5
Block HR 301s 301s Bue Bell	FMC	King's Dept St 1se 1 Knight Rdr. Nwes 38as 29 Kooppers 14 13 Krosenier 75e 7 Kroger 252 7 Kroger 10 10 Lanier Bus. Prod 16 16 Lazas Siegler 2134 28	Polaroid 167s 175s	Triton Energy 117s 12 Tyler 1434 1412 UAL 167s 165s UMC Inds 754 734 Unilever N.V 5234 554 Union Camp 433s 4314 Union Carbide 413s 401s	Agnico Eagle	Sofina	AMEV	1.7 Aust. Cons, Ind 1.42 Aust. Guarant. 2.20 Aust. Nat. Inds 2.52 1.1 Aust. Paper 1.68 1.5 Bank NSW 2.52si Blue Metal 1.36	Makita
## SP	Fed. Dep. Stores 417a 42 Fleidcrest MI 2012 205a Firestone 117s 117s 1st Bank System 281s 281s 1st Charter Fin. 95a 95a	Lenox	Prentice Hall	Union Oil Cal	Bell Canada 1812 1814 1816 1814 1414 1418 1818	DENMARK June 22 Price + e	Euro Comm 7st	2.1 Brambles inds 2.20 3.9 Bridge Oil 3.0 7.06 BHP 7.06 0.4 Brunswick Oil 0.14 0.2 CRA 2.55	-0.05 M biski Corpt. 485 +8 +0.07 M biski Elect. 245 +1 +0.02 M biski Ri East. 418 +1 +0.86 Mitsui Co. 515 -1 -0.02 Mitsui Ri Est. 514 -15 +0.02 Mitsui-Koshi. 385 +3
Bucyrus-Erie	1st Chicago	Lily (Ell)	Quaker Oats	US Gypsum	Can Packers	Andelabenken	Nagrden	0.2 Cariton & Utd. 1.90 Castlemaine Tys 5.65 0.2 Cluff Oil (Aust) 0.36 0.4 Do. Opts 0.38 0.3 Cockburn Cemt. 1.30 0.7 Coles (6.1) 2.10 Complex 1.68	+0.95 NGK Insulators 470 -6 -0.82 Nippon Denso 1,150 -10 Nippon Gakki 645 +5 -0.81 Nippon Mest 875 -1 Nippon Mill 875 +2 Nippon Steel 157 -0.17 Nippon Steel 217 -2
CBS	Fisons	Louisiana Pac 15 15 Lowenstein 274 27 Lubrizol. 17½ 15 Lucky Strs. 13 12 M/A Com. Inc. 20 20 MCA 5918 57 MacMillan 1214 12	2 Reading Bates 1512 1314 Readman Inds 1234 1234 1234 1234 Reichhold Chem 1114 1114	Utd. Technolgs. 351s 351s 171s 171s 171s 171s 171s 171s 171s 1	Cdn Pacific	GNT Hidg	Rodamco).6 Hartogen Energy 2.00	-0.94 Nissan Motor 801 111 -0.94 Nissan Motor 801 111 -0.94 Nisshin Flour 339 143 -1 -0.91 Nyk 250 -1 -0.91 Nyk 250 -1
Carlisle Corp 21½ 21½ 21½ 21½ 21½ 27 21½ 27 21½ 21½ 21½ 21½ 21½ 21½ 21½ 21½ 21½ 21½	Fruehauf 1912 1912 1915 GAF 1014 1014 GATX 2278 23	Mac	Rep of Texas	Virginia EP	Domt. Bk.Canada 654	Provinsbanken 117 Smidth (Fi) 178 +1, S. Berendsen 495 -3, Superfos 89,4 -0,4	Slavenburg's 82 — 190 — 190 — 145,5 ÷ 109 — 109	0.9 Hooker 0.91 1.55 1	-0.01 Orient 1.520 -10 Ploneer 1,540 +40 Ploneer 700 Ricoh 475 Sanyo Elect 415 Sapporo 264 Sapporo 685 -0.5 Sharp 813 +9
Centel	Gelco	Marriott	Reynolds Mt[s 193s 193s 193s Rits Aid	Warner-Lambt 20% 20% 20% 20% 20% 25% 25% 25% 25% 25% 25% 25% 25% 26% 25% 25% 25% 25% 25% 25% 25% 25% 25% 25	Dom Foundries 2712 2714 Dom Stores 1412 15 16 Domts 1514 16 Falcon Nickle 1514 1515 15	FRANCE	ITALY	Meridian Oil	Sharp
Champ Sp Plug. 75a 75c Charter Co	Gen Mills 42 48 Gen Motors 4534 4535 Gen Pub Utilities 458 458 Gen Signal 3342 3318 Gen Telep Elec. 2658 27 Gen Tire 1938 1934 Genesco 378 334	Mattel	Rojm	Westinghouse 2454 2412 Wastvace	Guif Canada	Emprunt 78, 1875 6,030 28 Emprunt 78, 1975 6,030 28 CNE 78 3,085 3,085 462 117.5 3,085	5 Lire Assicur Gen	Otter Expl. 0.50 - 1.25 Pancon 1.25 Pancon 0.10 Pioneer Co 1.22 Queen Marg't G. 0.08 Reckitt & Coin 1.65 R	Takeds 800 +2 70K 3,900 +80 +80 -5 -5 -5 -5 -5 -5 -5 -
Cigna	Genuine Parts 3514 3258 Georgia Pac 1512 1534 Geosource	McDermott UR 18 18 McDenalds	Ryder System 30 29 4 SFN Companies 1734 1734 SPS Technol,gles 14 1334 8 Sabine Corp 3313 5273	Whiripool	Imp Oil A	Source S	Fist	Sleigh (HC)	-0.81 Tokyo Gas 108 -0.81 Tokyo Sanyo 425 +6 Tokyu Corp 201 -2 Toshiba 315 +2 -0.82 Toyo Seikan 421
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Long Gov. Bond yield 13.6 NY. S.E. ALL COMMON 1988	36 13,39 13,24 Rises and Fa June21 J	12,48 Tokyo New S IIs NORWAY Oalo SE (1/1/1/	E (4/1/68) 638,06; 665,50; 538,27; 538.	28: 583,29 (97/1) 520,70 (17/3)	Perimoser	D'sche Baboock, 183 +1	June 22 Price —	Fuji Bank 500 Fuji Film 12,440 Fujisewa 1,310 Fujisewa 4,350 Green Gross 2,100 Hesenawa 4,55	2
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Yesterday the Managing Director of Digital Equipment Co. Limited, Darryl T. Barbé, reviewed the company's continuing impressive growth in the 1981 financial year.

Last year Digital's turnover in the UK rose by 27% to £142 million compared to £112 million in the previous year.

Mr. Barbé said the continuing recognition of Digital as a stable yet innovative supplier in Britain depended as much on staff commitment as on building advanced and proven computers.

Today, in the second part of a four part review, we look a little more closely at how Digital is building for the future in Britain.



The first step in manufacturing our computers in Europe was taken in 1971.

Over the past 10 years we have expanded this manufacturing capacity to the point where we now have four factories in Europe and a total of 2,500 employees producing computer equipment.

Major extensions to production capacity are nearing completion under part of Digital's \$400 million expansion programme worldwide.

By 1985, we intend to supply most of our major products from factories in Europe. By the end of the decade, the majority of our computer families should be made in Europe.

Digital's factory in Ayr, Scotland, was established as a pilot operation in 1976. The plant now employs 650 trained technicians and customer liaison staff in a 270,000 sq.ft. building.

In January 1981, Digital bought the land and buildings originally leased from the Scottish Development Agency. This decision highlights the factory's unique success record in producing computer systems for the UK and other European markets.

The factory configures computer systems according to precise customer specifications.

Components and subassemblies from plants in Ireland and the U.S. are tested, configured and tested again by Digital-trained technical staff.

Half of Ayr's output of PDP-11/44 and VAX systems is for UK customers, the rest going to continental European buyers.

Building for the future.

Seventeen years ago when Digital first brought its products to the UK market the company consisted of a single office and half a dozen staff.

As trading increased we not only established sales and service branches around the country but began to build a sound infrastructure including administrative resource, special systems manufacturing, software engineering and development, comprehensive stocks of spares and a computer supplies warehouse.

Today most of our customers have an engineer within one hour's travelling time, rapid access and 24-hour delivery on most accessories and many other products.

To achieve this kind of service we have several million square feet of warehouse space and a computer-based administrative organisation to handle the increasing volume of business.

Expansion on a large scale is underway or planned at our new headquarters in Reading as well as in Manchester, Basingstoke and Bristol.

Digital Park (pictured below) is the company's new headquarters complex on a 20 acre site in Reading.

750 staff moved in during summer 1981, including special systems manufacturing, product repair centre and central management and administrative departments.

Advanced telecommunications and computer systems combine with the informal, open plan environment to encourage communication and efficiency.

Our four part review.

Digital is constantly improving customer support services and facilities. Tomorrow we see how Digital sets the standards in customer services.

Compatibility has been a crucial consideration in developing Digital systems for 20 years. On Friday we see how Digital continues to make computers that will work with other computers.

Please contact your local Digital sales office if you would like a copy of the Operations Review or a reprint of this four part series.



Digital Equipment Co. Limited HEAD OFFICE READING: Digital Park, Worton Grange, Imperial Way, Reading, Berks. Tel. (0734) 868711. Telex 848327/8. SALES AND SERVICE BRANCHES: Basingstoke Tel. (0256) 56233. Telex 858503.

Belfast Tel. (0232) 20024. Telex 747837. Birmingham Tel. (021) 3556111. Telex 337060. Bristol Tel. (0272) 656201. Telex 449693. Edinburgh Tel. (0589) 30241. Telex 727113. Epsom Tel. (037 27) 29666. Telex 929920. Leeds Tel. (0532) 588154. Telex 556432. Belfast Tel. (0533) 530931. Telex 341794. London Tel. (01) 637 5200. Telex 27560. Manchester Tel. (061) 865 8676. Telex 668666. Webvyn Tel. (043871) 6111. Telex 826195. Chelmsford (Service Only) Tel. (0245) 351615. Telex 995681. Leicester Tel. (0533) 530931. Telex 966109. Newmarket Tel. (0638) 67201. Telex 517333. Teesside (Service Only) Tel. (0642) 470444. Telex 58618. The Digital Logo, PDP, DEC, MINC, GIGI and VAX are Trademarks of Digital Equipment Corporation.

National

heavy

losses

sales of \$1.11bn.

previously.

HEAVY

Semi shows

By Louise Kehoe in San Francisco

reported by National Semi-

conductor, the California-based semi-conductor chip

manufacturer—the worst yet

seen in the industry. In the

year ended May 31, the com-

pany lost \$10.7m on sales of

\$1.1m. In the previous year,

it reported restated earnings

of \$52.4m or \$2.37 a share on

Fourth quarter results

showed losses of \$3.1m on

sales of \$284.2m (up from

\$275.4m), against a profit of

\$12.6m or 55 cents a share

National's systems business

in point-of-sale equipment

and main frame computers

showed some growth, but

semi-conductor component sales were badly down.

cautious during recent months while others in the

U.S. semi-conductor industry

have predicted an early,

recovery. The company has

stuck to a policy of no lay-offs throughout the recession

and says that despite its year-end results, no lay-offs are now planned. "In fact we

are hiring people," said the

The group has remained

LOSSES

Richard Lambert looks at the merged insurance group's share fall

CIGNA is confident of future policy

lasted no time at all. Shares in CIGNA, the major insurance company created earlier this year by the merger of Connecticut General and Ina, touched a peak of \$55% shortly after trading began in April. Since then, they have tumbled by about 40 per cent, and are

languishing at about \$32. It is not as though the two companies are any less enthusi-astic about the deal. "We are more convinced than ever that the business logic is right and that we can make it work," says Mr Robert Kilpatrick, former head of CG and now joint chief executive of Cigna along with Mr Ralph Saul, formerly of INA.

There were half a dozen different motives for the merger which in terms of premium income created the second biggest stockholder-owned general insurance company in the U.S. a business with shareholders' funds of over \$4bn.

Although the two companies were broadly comparable in terms of size their business portforlios were quite different. Two-thirds of CG's premium income came from group life, health and annuity business, whereas two-thirds of INA's come from property-casualty in-surance. CG was almost exclusively a domestic insurer, while INA was one of the most international of the U.S. insur-

CIGNA is excited about the

Sharp earnings

A SHARP recovery has been

staged by General Tire and

Rubber, the fifth largest U.S.

tyre manufacturer. Second quarter profits total \$29.9m or

\$1.27 a share, compared with

\$22.7m or 92 cents a share for

the corresponding period of

The group is still in the red.

however. At the half-year stage

there is a net loss of \$4.7m,

equal to 20 cents a share, against

share last year.

profit of \$24.8m or \$1.00 a

Sales of the group, which

derives the greater part of its

income from non-tyre activities

such as aerospace and defence

products and plastics, eased in

the half-year from \$1.06bn to

recovery at

By Our Financial Staff

General Tire

ducts will be delivered as an needed employee benefit on a group market of the future will insurance basis, which is a require an enormous amount of much less expensive way of delivering the product. It's long lead times," he says. certain to come—the only question is when," says Mr Kilpatrick.

bining CG's experience in these Mr Saul points out that cut, and Philadelphia. products with INA's inter- although the merger was an Mr Saul savs firmly after multinational clients, not completed until the end of American competitors in this company was in a position to market." says Mr Saul. "It will guide analysts away from overtake time to get our two companies welded together, but when we do there's no question that we are going to have a very powerful international

lines between different types of financial services begin to blur. standards. The banks are starting to prevented them from getting into the insurance business." says Mr Kilpatrick. "We are looking at ways of getting into things that have been tradiplanning job instead of just a

very

competitor here."

segment of it." He argues that the merger will help this process by estab-

BY PAUL BETTS IN NEW YORK

salaries and benefits of all its country's second largest steel

salaries of all its management the three-year labour contract ranks would be cut by 5 per with the United Steelworkers

cent and cost of living adjust- Union. The contract, covering

even in the second quarter this the example of the motor indus-

Dil last November.

Union by renegotiating contracts before they expired.

The company has already pires in August 1983. But the

warned that it may only break steel companies want to follow share.

Similar cuts in management tute show that the average num-workers we salaries and benefits have been ber of hourly workers in April short week.

executives.

steel producer, is to cut the

27,000 white collar workers

from next month in a move to

reduce company costs and win

labour costs concessions from

its blue collar workers. The

The steel company said the

year despite earnings inflated

by its acquisition of Marathon

among the most sweeping made

by a large U.S. corporation.

ments would be frozen.

Oil last November.

IT SEEMED like a marriage marketing opportunities which made in heaven—but the it thinks can be created by comboneymoon on Wall Street bining these specialties.

Ilshing a group with a much ing hard to present a unified wider range of products.

"Size is important in itself, to be interviewed together in "We believe that in future because the new products and

for the insurance financial resources and terribly So why have the shares col-

employee benefit business into of the future, and forgot the national network and going nounced last November, it was "There are only two major March. In that period neither company was in a position to optimistic profit forecasts.

The shares fell steeply immediately after the group's first meeting with the analysts in April, and cracked again after the first quarter results in May. The merger also comes as the which were bad even by the rest of the sector's depressed

Property-casualty underwritbreak down the barriers that ing losses jumped to \$158m, representing a combined loss and expense ratio of 115.9 per cent. have been asked about whether a "marriage of equals" can tionally reserved for others, really be expected to work, and doing a total financial There have also been unsubstantiated rumours of disaffection among top executives of the merged group. The chief executives are work- 1984 than 1983."

U.S. Steel plans 5% pay cuts

U.S. STEEL, the largest U.S. made by U.S. car makers. Last was 224,000, compared with

week, Bethlehem Steel, the

producer, said it was cutting

the salaries of about 250

domestic producers are also try-

ing to renegotiate the terms of

some 250,000 steelworkers, ex-

try which secured concessions

from the United Auto Workers'

The latest figures of the

American Iron and Steel Insti-

U.S. Steel and other major

to be interviewed together in their small New York headmany property-casualty pro- delivery systems that will be quarters, and defer politely to one another's opinions.

Although it is clear that various parts of the two constituent businesses will eventually be consolidated together, the job will be tackled gradulaused? It seems that Wall ally over two years or more. For Street got a little carried away the moment, the two companies CIGNA also plans to shift its by the marketing opportunities are operating largely as they were before from their separinternational markets by com- grim realities of the present. ate bases in Hartford, Connecti-

> Mr Saul says firmly that the first quarter underwriting losses reflected nothing more than exceptionally bad weather condiplus recession-related There were no special adjustments to the group's reserves. He thinks that premium rates could start to improve by the end of the year. but warns that any price increases will not be reflected in the profit figures for some

time thereafter.

Mr Kilpatrick agress. "What is happening to us in the marketplace would have happened whether we'd merged or not. I contend that we will probably be better off in 1982 than we would have been had we not merged. In the sense that even with the merger expenses we will still avoid some other expenses. It will be 1983 o 1984 before the real benefits start to emerge. Probably more

403,000 in April last year.

Lancey, chairman.

• Republic Steel, fifth largest

U.S. producer, expects to incur

a higher operating loss in the

second quarter than the \$89.3m

loss of the first 1982 quarter, according to Mr William J. De

The net loss for the first

quarter of 1982 was \$28.5m. The

second quarter of 1981 brought

a profit of \$43m or \$2.67 a

Mr De Laucey said Republic's

order backlog was at a record

how and that the group had

been forced to drastically reduce operations. Work at some

units had been suspended in-definitely. Over 13,000 Republic

workers were laid off or on a

Orders for semi-conductor components have increased by about 15 per cent since March, according to the com-But wuch of the improved business is due to stock replacement by com-

The company expects a slow but steady recovery in business through 1983.

Rising costs hit profits at Data General

By Richard Lambert in New York DATA GENERAL, once one

of the fastest growing and most aggressive of the minimanufacturers. suffered a sharp drop in profits during the third quarter to June. Earnings were \$3.5m. or 32 cents a share, compared with \$9.7m, or 91 cents a from \$140.1m to \$145.4m.

The company said that pro-fit margins had been squeezed by increased costs, coupled with slower orders and shipment levels resulting from sluggist economic conditions around the world. Sales rose slightly due to the consolidation of a Japanese subsidiary, but on a comparable basis, sales were a little lower in

Data General posted an earnings increase in the first quarter of the current financlai year, but since then its performance has deteriorated After nine months, its net

income (before extraordinary gains of \$4.8m against \$9.8m is down from \$27.2m or \$2.55 a share, to \$19.2m or \$1.79 a Sales were \$428m against \$394m previously. The share price has fallen to roughly half its 12-month

The company was restructured last year, and its sales and servicing activities were revamped. Several senior exelast 12 months.

Mr Edson de Castro, president, said yesterday: "We continue to be very encouraged about the company's long term prospects." He said that at the end of the latest quarter the company had begun shipping two new models ahead of schedule, and had also introduced a series of commercial products hased on a new microprocessor.

Xerox upgrades computer for office networks

By Our San Francisco

XEROX, THE U.S. copier and office equipment manufacturer, has introduced the first personal computer purpose designed to fit on to local area networks — strings of interconnected computers in an office complex. The company announced its 820/II in Kan-

The Xerox machine is designed to be used on an Ethernet network—the network standard that has been jointly formulated by Xerox, Digital Equipment Corpora-tion (DEC) and Intel. It is aimed at the office professional market, which is worth \$6.4bn a year and is expected to grow to over \$25hn by

upon an eight-bit micropro-cessor, unlike many of the newest professional stations which have more powerful 16-bit microprocessors. The 820/II will, howthe Apple III, Apple Com puter's more expensive high

performance machine. The 820/II is basically an upgrade of Xerox's first per-sonal computer, the 820. It offers higher speeds and more storage capacity than its predecessor for the same price, and can be expanded to incorporate up to 10 megabytes of data storage capacity.

Re-stocking steadies **Eurobond prices**

BY ALAN FREDMAN

PRICES of international bonds in the dollar, D-Mark and Swiss franc sectors stabilised slightly yesterday in what most dealers lead-managing the bond, which described as a "technical cor-rection" following Monday's severe markdown.

The Eurodollar bond market saw prices marked 1 to 1 point higher last night despite the news of a 1 per cent rise in the U.S. consumer price index for May, the largest such increase since last summer. The "technical correction" means that dealers who had

sold off too large a portion of their inventories began restock-ing slightly and this encouraged others to lift their prices. There were reports throughout Europe of scattered retail investor buying interest, but this was said to be negligible. "The investors are just mb-bling at a few quality issues which provide attractive yields,"

explained one trader.

The jumbo \$750m Canada issue recovered a point to close at 961, providing a yield of 151 per cent. But the six-month Eurodollar deposit rate is still above 16 per cent and investors are reportedly still inclined to shift funds into short-term deposits (one to three months) rather than bonds.

in Switzerland. Credit Suisse is is expected to yield 71 per

The World Bank is launch-

ing a SwFr 100m 10-year issue

Swiss franc bond prices gained around 1 point, while Euro D Mark bonds recovered slightly and then closed unchanged. Both markets continue to be sensitive to the strength of the dollar and are very nervous about the trend of dollar interest rates.

A Swfr 50m five-year convertible issue is being placed for Sumitomo Heavy Industries by Swiss Bank Corporation. The coupon is 6% per cent and the. conversion premium 5.02 per

In the Duich capital market, the Copenhagen County Authority has placed Fl 55m of 10-year paper with a group of banks headed by Pierson, Heldring Pierson. The coupon is 111 per

• The Swiss National Bank is moving to ease certain capital export rules, Reuter reports from Zurich. The bank is lifting restrictions on secondary market trading of medium-term notes for private placement—these will be free of constraints and may now be traded.

Lockheed to pay Khashoggi BY OUR NEW YORK STAFF

aerospace group, will pay an un-disclosed sum to Mr Adnan Khashoggi, the Arab businessman and former Saudi Arabian last year. He was paid \$106m commission agent for the com- in commission fees between pany following an award by an 1970 and 1975, but payments

favour.

Mr Khashoggi had filed claims for substantial commission and said these commissions were not damages from Lockheed, which paid "due to, among other had withheld commission payreasons, substantial uncer ment involving various contracts tainty as to the permissibility of with Saudi Arabia. such payments und He was one of Lockheed's Saudi Arabian law."

consultants in the years when the company was charged with making questionable payments o promote sales. because reserves set aside last Lockheed disclosed in 1977 year would cover it.

LOCKHEED, the defence and that about \$38m in questionable payments had been made in the early '70s. It ended its 16-year relationship with Mr Khasho arbitration tribunal in his were withheld after the scandal. The company's 1981 annual report, published last April,

> Lockheed said Mr Khashoggi's settlement will not have any material impact on earnings

such payments under U.S. and

Fiat to sell stake in Argentine car concern

By Rupert Cornwell in Rome FIAT, the Italian motor group, yesterday announced agree. ment in principle to sell a 60 per cent stake in Sevel, its loss making Argentine car concern, to a group of Argentine businessmen headed by St Francisco Macri

The deal, which will be carried out by the Argentine Interests subscribing to a pesos 400bn (\$30m) capital increase by Sevel, should be of great benefit to the Italian group as it seeks to consolidate the recent improvement in its

affairs. Losses in Eatin America. above all in Argentina, last year accounted for almost entirely the total 1981 deficit of L254bu (\$184m) registered by Fiat's car division

The agreement is due to be completed in the next few days. Sr Macri and his associates will also increase their stake in Impresit-Sideco the local arm of Impresit, Fiat's civil engineering subsidiary. Sevel will continue to assemble and sell. Fint and Peugeot cars. despite the change in owner-

Fiat-said last night that its other operations in Argentina including tractors, beavy vehicles and telecommunications, would not be affected by

Restaurants sale

Quaker Oats has entered into an agreement to sell most of the assets of its Magic Pan restaurant division to private investors, Reuter reports from Chicago. The company said 89 of the 90 Magic Pan units are included in the sale. The sale will result in a

special charge of about \$1.05 a share against fourth quarter income. Last year's fourth quarter earnings equalled \$1.52 a share. Fiscal 1982 sales of the restaurants were estimated at \$77m, or about 2 per cent of Quaker's total sales.

BOLL

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which

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J.S. DOLLAR		٠.		Chan	ge on		'I
	lssued	Rid	Offer				1
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mex O/S Fin. 144 89	75	931	95.	1	<u>_5</u> :	16.84	Can. Pac. S. 16
PS Fin. Co. 164 89	75	981	99	-0-	-12	16.50	Crd. Foncier 17
17 144 89	400	99	991			14.39	Hudson Bay 17
aker Int. Fin. 0,0 92	225	†244				15.71	OKB 16 2 88 C
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ritish Col. Hyd. 143, 89	200	947,				15.94	Bk. Mees & H.
urroughs int. 16%, 88	50	. 987				16.04	Eurofima 10 2-89
anadair 154 87	150	98°,				15.90	ireland 10 2 87
enadian Pac. 14% 92	75	93½				15.93	Phil. Lamps 104
arolina Power 161, 89	60	984				16.85	World Bank 10
IBC 16 87	100	987 ₈	997,	ት 0ጜ	-15	16.20	OKB 14 86 FFr
iticorp O/S 15 84/92	100	977	98½	-0,5	-12	16.16 · ·	Solvay et C. 14
ticorp O/S 157, 85/97	125 .	-9 81				15.93 ·	Acons 14 85. £.
NA 157, 97	75	95\r	957,	-야.	-34	.16,64	Beneficial 144 9
on. Illinois 15% 89	100 .	987	99 .	-02	-11	16.00	BNP 131 91 £,.
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8 15 2 89	150	974	97%	+0%	-17g	16.11	Hiram Walker 1
Sportfinans 141, 89	50	921,			-34		Privatbanken 14
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6"	125	.94			-24		Royal Trustee 14
MAC O/S Fin. 16 88	150	97%			-24		SDR France 151
MAC 0/S 154 85/97	100	96%			-15		Swed. Ex. Cr. 1
MAC O/S Fin. 15 89	125	945			-13		Eurofigia 10°- 8
MAC 0/S Fin. 15 87	100	961,	97	-11	-07.	15 97	EIB 91, 88 LuxFr
ilf Canada Ltd 14% 92	100 .	934	OAL.		-34·		
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t-Am. Dv. Bk. 154, 87	55	944			_25.		Bk. of Tokyo 54
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w Brunswick 164 89	75 150	95%					8FCE 54, 87
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C. Gas & El. 151, 89	350	18½					Caisse Nat. Tele
C. Penney Gl. 0.0 94 illips Petrol 14 89	200						CCCE 54 2002
	400		25%				CEPME 54, 92
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Average price changes On day 0 on week —1% DEUTSCHE MARK STRAIGHTS Issued Bid Offer day week Yield Asien Dev. Bank 9½ 92 150 88½ 93 +0½ -0⅓ 9.46 Australia 9½ 91 200 101½ 102½ -0⅓ -0⅓ 9.00 Austria 8½ 92 100 93½ 94½ +0⅓ -0⅙ 9.34 Barcleys O/S in 8½ 94 100 93½ 94½ +0⅓ -0⅙ 9.34 Barcleys O/S in 8½ 94 100 95½ 95½ +0⅙ -0⅙ 9.34 Comp. Tol. Eap. 10½ 92 100 95½ 100¾ 0 0 10.4 Cred. Fonciar 8½ 92 100 95½ 100¾ 0 0 10.4 Denmark 10 88 100 100½ 101½ +0⅙ 9.74 Denmark 10 88 100 100½ 101½ +0⅙ 9.74 Denmark 10 88 100 101½ 102½ +0⅙ 9.74 Denmark 10 89 100 95½ 100¾ 0 0 10.4 EEC 9½ 94 100 95½ 100¾ 0 0 10½ 9.38 EEC 9½ 94 100 95½ 100¾ 0 0 0 9.38 EEC 9½ 94 100 95½ 100¾ 0 0 0 9.38 EEC 9½ 94 100 95½ 100¾ 0 0 0 9.38 EEC 9½ 94 100 95½ 100¾ 0 0 0 9.38 EEC 9½ 94 100 95½ 100¾ 0 0 0 9.38 EEC 9½ 94 100 95½ 100¾ 0 0 0 9.38 EEC 9½ 94 100 95½ 100¾ 0 0 0 9.38 EEC 9½ 94 100 95½ 100¾ 0 0 0 9.38 EEC 9½ 94 100 95½ 100¾ 0 0 0 9.38 EEC 9½ 95 100 95½ 100¾ 0 0 0 0 9.38 EEC 9½ 94 100 95½ 100¾ 0 0 0 9.38 EEC 9½ 94 100 95½ 100¾ 0 0 0 9.38 EEC 9½ 95½ 0 0 0 0 95½ 100¾ 0 0 0 0 9.38 EEC 9½ 95½ 0 0 0 0 95½ 100¾ 0 0 0 0 0 9.38 EEC 9½ 94 100 95½ 100¾ 0 0 0 0 0 9.38 EEC 9½ 94 100 95½ 100 95½ 100¼ 0 0 0 0 9.38 EEC 9½ 94 100 95½ 100¾ 0 0 0 0 9.38 EEC 9½ 95½ 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	World Bank 14% 87	. 500	334	944	+04	-2	76.12
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Average price changes On day +0% on week -0%	World Bank 92 89	100	100%	1014	-o.	- 72,	9.36
Average price changes On day +0% on week -0%	World Bank 8 2 92	200	937	947,	+03 -	-14.	9.43
SWISS FRANC Change on			day -	(O	u mai	ık −(P.
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SWISS FRANC		. •	Chang		
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Air Canada 64 92	100	994 9	9 +0	-14	6.32
Asian Dev. Bank 7 92	100		101 + 01		
Aucaisa 71, 92	80	95- 5	# -07.	- 14	8.40
Australia 61, 94	100		2 10		6.28
Cse. Not. l'Energie 7 92		-995 4	97 +14	-5-	7.03
CFE-Mexico 84 92	50		74 -04		8.71
Co-op. Denmark 81 92	25		35. ~Q ² .		7.89
Crown Zelirch. 64 92	100	- TOP - 10	8. 0	_5	7.02
Europenet 74 92	100	100 70	02. +03.		
Ind. Fund Finland 64 92	30	977 6	77. —04.	_,,,	7.23
Japan Dav Bank 6 94					7.07
Jahan Day Dauk 6 34***	100		74 0		6.29
Kobe City 6 92	100	907 3	81, +01	~ <u>1</u> %	6.31
Kommuniane 74 92	35		35 + M		7.34
Mitsui OSK 612 92	100		84 – 04		€.75
National Pwr. Co. 8 92	: 30		14 -04		7.76
New Zeeland 6 92	100	394 8	9 ¹ 2 +0 ¹ 2	ተውኔ	80.8
OKB 74 92	100	103'- 10	35 +2 T	-0-	7.21
Ost. Postspar 7 92	100	1017-10	17 +04	-2 -	7.23
Philip Morris 65 92	100	1017-10	13 +05		8.44
Philip Morris 64 94	100		0% +0%		6.25
Guebec 74 92			5 +1 °		6.23
Seklaut Pro. 5% 92 WW			9. + O-		7.92
Ranfa 74 92			25 +65 ·		5.45
Sec. Lux. de Cnt. 8% 92			6 O4.		
Tiroler Wasser 64 92	100	967. 9	7 +04	-w	2.14 e.m
Vorariberg Kraft 674 82	50				
Average price chang			25. + 15. ·		

Average price chan	968 DI	n day	+0%	on w	esk -	14
YEN STRAIGHTS	Issued	Bid	Offer	Chat	gg on	Yield
EIB 81, 92	15	965	977	-01	. –O%	8.7
IntAmer. Dev. 8% 31 Japan Airlines 7% 87					_04 -04	
Now Zealand 85 87	15	99	100	+04	-0,	8.50
World Benk 81 92		98կ Խշե ո	. 99 ¹ ,	. · O.	0 - 40	.NL

OTHER STRAIGHTS	Issued	· Bid	Offer	day	week	: Yiel
Bell Canada 16 89 C\$	100	195°:	96	.—Ō™	O	. 17.0
Can. Pac. S. 16% 89 CS	50 · ·	1961	97	-01	-2	171
Crd. Foncier 174 48 CS	30	1987	.99	-03	03	17.4
Hudson Bay 17 89 C\$	40	1951	96	-12	-3	TB.0
OKB 16-2 88 CS	63	1947	95	-04	O'	17.7
Q. Hyd. 167, 89 (My) CS	- 50 ·	1981	99	-03	-0	16.7
Quabac Prov. 1612 89 C\$	- 50	198 °	88 -	:07,	- 64	. 16.1
U. Bk. Nwy. 812 90 EUA		897	90°2	- 0.	:+1.	11./
Amro Senk 10 87 Fi	150	981	99	Q.	- 01	10.3
Bk. Mees & H. 10 87 FI	75.	987	987	Œ	.—07	10.3
Eurofima 10-2 89 Fl	50	991,	10012	-0-	-0	10.4
ireland 10 2 87 Fl	75	97	987.	-0-	÷05	17.0
Phil. Lamps 104 87 FL	100	997	100	• 0	-01	10.3
World Bank 10 87 Fl		97	98	0	05	10:6
OKB 14 86 FF:		93	98 94	. 0	-0	16.4
Solvey et C. 144 86 FFr		92%	937	0	0	17.4
Acons 14 85 £		95	984	- 0	-œ,	. 15.5
Beneficial 144 90 £ (D)		894	- 90%	+04	-03	16.5
BNP 131 91 £,	15 .		931			
BNP 131 91 E	20	94	95	+0%	-13	14.8
Fin. Ex. Cred. 134, 86 €	15	95	96%	0	-03	15.2
Gen. Elec. Co. 122, 89 E	50	915	923	-03	-07	14.4
Hiram Walker 144 86 £	. 25		982			
Privatbanken 14 2 88 £	- 12		957-			
Quabec 15 87 E	35	1015	1024	+04	-0-	14.9
Read (Nd) NV 16% 89 £	25	1031	104%	+0-	-07	15.7
Royal Trustee 14 88 E	12		981			
SDR France 151, 92 £	30	. 991	995	+0%	- 07	15.5
Swed. Ex. Cr. 134 86 £.		983	974	G	-17	14.8
Eurofique 10% 87 LuxFr	500	951	954	-04	-01,	11.6
EIB 91 88 Luxfr	600	914	921	0	-04	11.8
FLOATING RATE		'		٠.,		
NOTES S	read Bi	iđ.Ol	fer C.∙	dte-C	.con	C.yk
Allied Irish 54 92	0. 9	18 2	8 ₇ 15	/10 1	5.69	15.9
Bk. of Tokyo 54, 91 (D)	0 g	8 2 5	9 .8	/12 :	54.	15.4

FLOATING RATE						
NOTES Allied Irish 5 92	Spread	Bio .	Offer	C.dto	C.con	C.vld
Allied Irish 5 92	04	98	981	15/10	15.69	15.37
Bk. of Tokyo 54 91 (מוס נוס	982	99	2/12	161	15.4
Bk. Nova Scotis 514	93 0	905	991	20/10	154	15 20
BFCE 574 88	02.	985	991	28/40	46	76 17
8FCE 54, 87	OL.	991	995	77 / T	TØ1	48 29
BNP 54, 89 WW	m.	OF L	007	2/11	15.19	15.4
Calase Nat. Tele. 64	90 6.	99	00/	21/10	15\ 15\	15.4
CCCE 54 2002	n.	. 001.	907	21/10	act.	12.04
CEPME 54, 92	ni.	001	202	40 Mg	15.44	13.0/
Chemical NY 51 94	n).	90	001	70/E	13.44	. 19.03
Chemical NY 54 94 Cent Illinois 54 94	61	- 63	22.5	42/0	5.	3.4
Credit Apricals EL 67	- 07	301	32.5	24/6	54 .	5.30
Credit Agricole 54 97	77 01	20.5	38.	24/9	15:44	15.57
Credit du Nord 53	70 25	20.4	23.4	23/6	54	5.31
Credit Lyonnais 54 97 Credit Nat. 54 94	054	284.5	99°g.	7/70	75	76.14
Depresent Panels of	#U%	38.	984	9/9	74.69	14.91
Denmark, Kngdon, of	25 0.7	T93 .	.99	25/8	15.44	15.57
freland 51 89/94		1984	987	25/1T	14%	14.97
Kanzallis Osake 5-	92 04	98°-	99	6/11	15.31	15.51
Lloyds Eurolin 54 93	30%	987	38	29/10	.175	17.20
CONG PERM LING. 54	37. IV.	- COPIL	-003	7077	741 .	74 07
J. P. Morgan 54 97 Nat. West. Fin. 54 91.	904	983	991	12/8	145	74.79
Mat. West Fin. 54 91.	50×	99~	99 .	16/7	15.19	15.28
19097 ABBIBING 274 O	UMa '	900	.001	700	SE EE.	45 50
AND MANUAL COMPANY OF THE	U~a	38	997-	10/8	16,08.	15.18
ensuora willing 64 :	97 DA	98°-	99°×	2/12	14.19	74.72
PKbanken 5 St	624	007	Ant :		45.04	ALC: NO
Section of Int. 54 92 Sec. Pacific 54 91	03	987	89	23/9	15%	15.57
Sec. Pacific 54 91	O'	98%	33,	24/11	15	15.15
COMPOSIC CHAIL DV :	71 - UA	ш.	-	70 /47		
Toronto Domin'n 54	92 05 .	987	994	11/8	16%	16.62
Average price che	iliges (On de	y C pr	1 Week	-0-	
COMMENTINE			-			

CONVERTIBLE BONDS	Cnv.	Cmv.	·, -		Cho	
BONDS	date	. price	Bla	Offer	dia	Promi
Ajinomoto 54 96	7/81	433	804	R17.	474	3.71
. Bow Valley Inv. 8 95	· 4/91	22 12	. azə.	991	Tm.	72,79
Bridgestone Tire 51 96	3/82	470	271	047.	E40.	0.02
Larion D'4 Hb	7.021	970	24	- 	22	0.82 9.46
Chugar Pharm 74 98	7/87	200 4	- e-	971.		-8.62
FIRITALL PARACE AL. SE	70 JO -	20.44	704.	- 977		-6.52 -16,55
Furukawa Elec. 5% 86	7721	200				-6.84
MEMBON U/S PIN. 94. 98	2/31					
Hitachi Cable 5- 98	2/82	-30 -646	. Get	B.L	72	73.28
Hitachi Cred. Cpn. 5-96	7/91	7847				- 5.43
MORGA MOIOF 54. 97	7/97	8/4		704	42	7:15
inchespe 8.95	2/6+	. ON 1				4.49
Kawasaki 54 96	D/04	4.35	TOUR	28.5	+1-	39.21
Marui 6 96	7/01	201				15.88
Minelta Camera 5 96	//81	240,4				5,69
Millord Calibia 5 30""	10/87	526.A	59	6042	+1 '	25.96
Мілогео 94, 97	5/82	B.15	177	79	+4	53.96
Murata 64 96	7/87	2168	664	67.	+0-	.18:37
NAK 07 30	<i>1]</i> 81	: 188 ₋	89%	707	3 P.	72.32
INDUON COOM-C. 5 911	wa.	646	60	62	-0-	17.57.
Nippon Electric 5's 97	2/82	846	24	851	-32	0,42
Unent Finance 54 97	3/82	720E				17.95
Sanyo Electric 5 96	ID/R1	. 452	F-12	642	To.	11.24
Summomo Elec. 5., 97	3/821	277-7	00	G-21 -	- 22	TINE 7
Sumitomo Met. 54, 96:_1	10./RT·	200	- 60.ft	241	T47	10.73
Swigs Bk. Cpn. 64 90	9/20	400. I				46,88
Konishiroke 6 90 DM	2/02	, 181				27,59
Mitsubishi H. 6 89 DM	-102	- 505	100	יינטן.	٠ij.	7.05
miresenent U. D 93 DW.	2/62	263	. 88	:89	ተውኑ :	Z3.89

Banco de Chile

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INTL: COMPANIES & FINANCE

Denmark's best-known brewer plans to extend its foreign connections

Tuborg group's Far Eastern brew

UNITED BREWERIES, the Danish brewer best known for its Carlsberg and Tuborg brands, remains keen to expand its network of foreign breweries and licensing agreements.

The brewery activities. Income from exports and licence royalties is estimated to account for about 50 to 60 per cent of group profits.

Up until the late 1960s, Carlsments.

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hrewery projects to supplement those in Hong Kong and Malaysia. He cited Singapore as a possibility. Having recently agreed to provide technical know-how to the Guangzhou Brewery of Canton, the company hopes to reach another assistance agreement with China but "this isn't anything you can do overnight,"

agreements for the production of Carlsberg beer in the Dominican Republic and for the production of Tuborg beer in Puerto Rico. Licence royalties are an important source of earnings for the company. The company also plans to increase the capacity of its new Carlsberg brewery in Hong Kong and

of a Tuborg brewery in Curkey. The brewer had an annual turnover, excluding excise taxes, of DKr 5.4bn (\$630m) last year. About 52 per cent of sales are generated from pro-duction in Denmark, 23 per cent from production abroad staked out a firm position in

Up until the late 1960s, Carls- 1977 ments.

Just back from a trip to the Far East, Mr Poul Svanholm, the group president, said UB wants to start some new brewery projects to supplement. a costly procedure with rising international freight rates and distribution problems.

Their merger coincided with a shift in strategy. Foreign markets now are covered by a combination of exports, licensing agreements and production in local breweries in which UB has a controlling interest.

Today UB employs a mixed UB recently signed licensing sales and distribution strategy, igreements for the production in the U.S., for example, Tuborg is produced under licence by Heileman Brewing of Wisconsin while Carlsberg is exported from Denmark. The reverse strategy applies on the Canadian market. "If there is any status connected with being an import, then one of our brands can benefit."

Unlike Heineken of Holland, UB's penetration of the U.S. market is slight although "we expect a strong growth on the American market." More important to the Danish brewer is the UK, where Carlsberg has

UB's RECENT PERFORMANCE 3.3bn 113m 3.7bn 143m 4.1bn 158m

Financial year to September.

type beer. Lager now accounts for more than 30 per cent of the UK beer market and "we are one of the biggest.

UB, along with other European brewers, is attracted by the potential for beer sales among the traditionally wine-drinking countries of the Mediterranean. It has seen strong increases in sales in Portugal and Italy, where both Carlsberg and Tubong are brewed under license.

technical agreement with the Guangzhou Brewery in Canton involves the sale of knowhow through a subsidiary, Danbrew Consult. Danbrew is helping the Chinese renovate their brewery and is training its staff, taking some to the new Carlsberg facility in Hong Kong.

The founder of Carlsberg, J. C. Jacobsen, also established cent from production abroad staked out a firm position in the Carlsberg Laboratory, an in-and 25 per cent from non-the growing market for lager-stitution dedicated 10 basic

research and to the technology of brewing, later transformed into the Carisberg Research Centre. The institute employs about 150 staff and works on problems such as bottling technology and enzymatic engineer-

This scientific influence is also reflected in the direction of the company; UB's majority shareholder is the Carlsberg Founda-tion, another institute created

by Jacobse.

The Carlsberg Foundation
holds about 51.3 per cent of
UB's stock. About 11 per cent is held by a large Danish pen-sion fund, about 10 per cent by the Tuborg Foundation and the rest is public and quoted on the Copenhagen Stock Exchange.

In addition to its inter-national expansion plans, UB is undertaking about DKr 1bn in capital spending over the next five years to update its Danish plants. The rationalisation measures also are designed to control costs. which "have in-creased significantly in Den-

Investment this year is ex-pected to amount to about DKr 500m, up 17 per cent from 1980-81. Mr Svanholm does not see any difficulties in financing this. Apart from a convertible bond issue to shareholders. UB capital in recent years.

AEG races against time to avoid liquidity crisis

moves ahead By Fay Gjester in Oslo

shipping group

Norwegian

THE BERGEN shipping group Kristian Jebsen, reports operating profits, after depreciation, of NKr 117m (\$18.6m) for 1981, up NKr 10m on a year earlier. After financial and extraordinary items, net profits emerge at NKr 268.1m, com-pared with NKr 88.1m. Part of the increase repre-

sented profits on ship and share sales, including the sale to British investors last year of a 49 per cent stake in Jebsen's UK offshore drilling operation. This year profits are expected to be "significantly lower," re-flecting the weakness of the freight market and fewer extraordinary credits.

The Jebsen group, including owned by outside partners, increased gross turnover last year to NKr 2bn from NKr 1.6bn. The group employs 1,800 and owns and operates 60 bulk carriers. It has 14 more on order. It also has a number of vessels

on charter. Jebsen's Drilling, the group totalling DM Ibn from Bonn, operates three drilling rigs. While the AEG management and a drill ship, all of which have been chartered out for several years at profitable rates. In partnership with Elkem, the Norwegian metals and manufacturing concern, Jebsen last year purchased several

ferro alloys plants in Norway,

the U.S. and Canada from Union Carbide of the U.S. The subsidiary, Jebsen Metal, yielded "poor" results in 1981 and similar, weak results are expected this year.

Telefunken if it is to stave off a looming liquidity crisis in coming weeks as well as overcome its long-term structural

shortcomings.

Herr Heinz Dürr, executive chairman of the troubled West German electrical group, said yesterday: "A solution must be reached before the operating units are weakened and the group's financing endangered." General Electric of the UK had "a concrete interest in co-operating with AEG-Technik," he said. "We have conducted detailed talks with GEC although there is not yet a written agreement. It is certain, however, that under no circumstances would GEC take a holding of more than 40 per cent."

Herr Dürr also revealed that

the group had applied for loan guarantees totalling DM 550m (\$222m) from four provincial states, Bavaria, Berlin, Lower Saxony and Hesse—DM 150m more than indicated by the company last week. The group Through its drilling offshoot, is also seeking loan guarantees capital goods and household appliances operations, Herr of the heavily loss-making Tele-



Herr Heinz Dürt

The Telefunken workforce worldwide has already been cut

by 45 per cent to 9,500 and in West Germany by 60 per cent to 4,600 in the last five years.

The uncertainty of AEG's was still aiming to save its future has had a dramatic impact this week on the group's share price, which has fallen to Dirr made it clear that the as low as DM 27 per share. Two-group hoped largely to dispose and a half years ago the banks paid DM 150 per share in pumpfunken consumer electronics ing in DM 930m in new equity

foreign-based operations—it household appliances division manufactures in Brazil, Mexico, would be unlikely to break even Italy and Spain-would be shed. before 1984.

division (televisions, radios, capital, stereos and video recorders), AEG told shareholders that retaining only a minority the worsening consumer climate interest. Most of Telefunken's in West Germany meant that its

Kvaerner expects higher profits

heavy engineering, consultancy, ship and rig building group with interests in gas tanker shipping, forecasts higher profits this year than the NKr 176.8m (\$28m) pre-tax earnings achieved in 1981. It reports a pre-tax profit

KVAERNER, the Norwegian in the same period last year. Turnover for the whole of this year is expected to exceed NKr 4bn, compared with NKr 3.73bn in 1981.

of NKr 60m in the first four NKr 1.05bn, considerably less months of 1982 on turnover of than the NKr 3.38bn booked in NKr 1.4bn, compared with the same period last year. But NKr 35m on sales of NKr 950m last year's figure included

orders worth NKr 2.3bn in connection with the third produc-tion platform for the Anglo-Norwegian Statfjord field. Orders on hand at end-April

Orders booked during against NKr 4.77bn a year January-April 1982 totalled earlier. Some of the group companies reported shrinking orders, reflecting the shipping recession and market developments generally.

These securities having been privately placed, announcement appears as a matter of record only.



PK CHRISTIANIA FINANCE B.V.

Guaranteed Floating Rate Notes 1992

Guaranteed on a subordinated basis as to payment of principal and interest by

PK Christiania Bank (UK) Limited

Mitsui Trust Bank (Europe) S.A. ...

Chemical Bank International Group Handelsbank N.W. (Overseas) Limited Kyowa Bank Nederland N.V.

BMW to keep **British** prices steady By Kenneth Gooding,

BMW would not be able to Britain for some time because of the pressures arising from unofficial imports from the Continent, Mr Hermann Mund, head of corporate finance, said in London yesterday. He indicated that manufac-

turers would attempt to bring UK prices more into line with those on the Continent, where for the past two years or so they have been well below

The recent realignment of European currencies, involving some of BMW's most important markets, should not have too much of an impact on the group, Mr Mund suggested.
The Italian depreciation

was only of 1; per cent. "so it is no problem," while in France he believed BMW was in a strong enough position to raise its prices to compensate to some extent for the depreciation of the franc. prices in most markets had reached a level where customers were sensitive to any increase. So, if demand picked up unexpectedly, the group had little room to push up prices even though its plants were already working

at full capacity.
Output was being boistered entirely by increased exports—which in the first quarter were 25 per cent ahead.

Discussing the new assembly plant BMW has been considering for some time, Mr Mund said the group would prefer to locate it in West Germany. This would allow BMW more flexibility to switch production of various components or products between one plant and another.

The group recently started production of engines at its plant in Austria. Ford has an option to take 200,000 dlesel engines from the plant, beginning next year.

Mr Mund said BMW had had discussions with nearly all the world's car makers while seeking more customers for the Austrian plant's engines, but U.S. groups seemed to offer the best

potential. However, BMW could use the Austrian plant to capacity by switching some petrol engine output from its Munich factory, which was fully stretched.

U.S. coal mine stake for HCF

HOLLAND CARBON Fuels (HCF), a Dutch energy investment company, has acquired a 59 per cent stake in a U.S. coal mine for about

\$30m.
The Scotts Branch Coal Mine of Pikesville, Kentucky has estimated reserves of some 60m metric tons of coal and current production of some lm tons per year. The coal is low in sulphur content and high in combustibles. HCF, which receives an

entitlement to the annual production corresponding to its equity stake, was created in 1980 as a channel for direct investment in coal exploration and production activities abroad. Its shareholders are DSM, the Butch state chemi-cals group; Estel Delistoffen BV, a subsidiary of Estel, the Butch/German steel group; and SEP, a public electricity co-operative.

The balance of the shares of the Scotts Branch mine are held by Pickands Mather, a wholly owned subsidiary of Moore McCormack Resources. AP-DJ

Yapı-Kredi Bank Summary Statement of 1981 Activities.

	1981 (Millions of TL)	1980 (Millions of TL)	% Increase
Balance Sheet Total	246,696	124,544	98.1
Deposits	205,790	90,042	128.5
Loans	104,553	59,226	76.5
Equity:	6,570	2,135	207.7
Gross Income	37.954	16,612	128.5
Net Income	634	234	170.9

Excerpts from the President's Report: ...Yapı-Kredi's dynamism at home and abroad reflects a conscious change of direction and a new management structure. The development of better, quicker and more comprehensive services for domestic and international clients consolidated the Bank's position in 1981."

"...YKB's total lending rose by a little more than a half, but the Bank's financing of exports rose more than twice as fast, both reflecting the strong surge in Turkey's exports."

"...The Bank participated actively in the increasingly competitive market

place for commercial deposits and personal savings, and its share of total funds deposited rose from 11.7% to more than 16% in just one year."

March 30, 1982



YAPI-KREDI BANK "The Turkish Bank that speaks your language."

Our 1981 Annual Report includes a wide-ranging analysis of the Turkish economy. It is now available in English on request. Please write for the attention of Dr. Metin Berk, Vice President, Yapı-Kredi Bank, Korsan Çıkmazı 1, İstiklal Caddesi, İstanbul-Turkey.

U.S. \$150,000,000

Chemical New York N.V.

Guaranteed Floating Rate Subordinated Notes Due 1994

Guaranteed on a subordinated basis as to payment of principal and interest by

Chemical New York Corporation

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 23rd June, 1982 to 23rd September, 1982 the Notes will carry an Interest Rate of 1645% per annum. The relevant Interest Payment Date will be 23rd September, 1982 and the Coupon Amount per U.S. \$10,000 will be U.S. \$426.46.

> Credit Suisse First Boston Limited Agent Bank

U.S. \$75,000,000

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

(Incorporated in the Republic of Austria with limited liability)

Floating Rate Subordinated Notes Due 1991

hereby given that for the three month Interest Period from 23rd June, 1982 to 23rd September, 1982 the Notes will carry an Interest Rate of 162% per annum and the Coupon Amount per U.S. \$1,000 will be U.S. \$42.81.

Banco Nacional do Desenvolvimento **Economico**

U.S. \$50,000,000 Floating Rate Notes 1989

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the three months from 23rd June, 1982 to 23rd September, 1982 the Notes will carry an interest rate of 16 4% per annum. On 23rd September, 1982 interest of U.S.\$42-81 will be due per U.S.\$1,000 Note and U.S.\$428-06 due per U.S.\$10,000 Note for Coupon No.13.

> European Banking Company Limited (Agent Bank)

23rd June, 1982



Thai Farmers International Finance Limited

US\$25,000,000

Guaranteed Floating Rates Notes 1984

For the six months 23 June 1982 to 23 December 1982 the Notes will carry an Interest Rate of 16#% per annum with a Coppon Amount of US\$86.10.

Agent Bank

CHEMICAL BANK INTERNATIONAL LIMITED



In accordance with the provisions of the Notes, notice is

Credit Suisse First Boston Limited Agent Bank

U.S. \$150,000,000

NATIONAL WESTMINSTER BANK LIMITED

Floating Rate Capital Notes 1990



In accordance with the provisions of the Notes notice is hereby given that for the six months interest period from 23rd June, 1982 to 23rd December, 1982 the Notes will carry an Interest Rate of 16% per annum. The interest payable on the relevant interest payment date, 23rd December, 1982 against Coupon No. 9 will be U.S. \$85.78.

By Morgan Guaranty Trust Company of New York, London Agent Bank

HOUSTON

NATURAL

The Board of Directors of Houston Natural Gas Corporation has declared the following quarterly dividends, all payable July 1, 1982 to holders of record June 14, 1982: \$1.161/4 per share on the 4.65% Cumulative Preferred Stock, 1964 Series (\$100 Par), and 421/24 per share on the Common Stock (\$1 Par).

Clifford Campbell Vice President and Secretary

June 4, 1982

BAI	ANCE S	HEE! A!	31SI DECEMB	_	
	1981 £	1980 2		1981 £	1980 €
SHARE CAPITAL & RESERVES Shere capital General reserve	15,000,000 400,000	15,000,000	ASSETS Cash, balances with bankers, money at call & short notice	65,497,085	44,916,247
Retained earnings (deficit)	27,934	(406,386)	Deposits with banks	101,772,344	82,090,615
LOANSTOCK	15,427,834	14,593,614	UK Government securities	1,972,974	691,184
10% Unsecured loan stock	100	100	Loans and advances	117,514,256	66,157,009
DEFERRED TAXATION	587,323	635,000	Promissory notes.	1,000,000	2,000,000
LIABILITIES Current and deposit accounts	283,428,882	182,250,254	Accrued interest receivable and other accounts	8,782,458	4,670,189
Accrued interest payable and other	8,426,160	5.622.858	Fixed assets	2,320,404	2,576,582
creditors Corporation tax payable Acceptances	989,102 59,233	855,601	Customers' liability on acceptances	59,233	855,501
Parchipilates	£288,918,734	2203,857,427	•	£288,918,734	9203,957,AZ7

The net profit of the bank for 1981, before taxation, was £1,833,000. After providing for taxation of 2999,000, bringing forward the accumulated deficit at 31st December, 1980 and transferring £400,000 to general reserve, retained earnings carried forward amount to £25,000.

- Net interest rose by nearly 30% to over £4 million.
- Fees and commissions earned rose by 24% to a little over 21 million.

From our published Report and Accounts we record with pleasure that during the last financial year our level of business increased significantly as follows:

by 42% Loans and Advances by 79%

Deposits with Banks by 24% by 45% Funds Raised

In its role as an international commercial bank, and through the medium of the London market. the Allied Arab Bank seeks to provide a bridge between the Western and Arab worlds. Its objectives are to attract custom and business not only from Arab Investors at home or in London, but also from foreign companies conducting business with Arab countries.

The attractions of such a bank to Arab investors whether they are resident in London or their home country are obvious, and are proven by the considerable success which the Allied Arab

nead Unice: Granite House, 97-101 Cannon Street, London EC4N 5AD Banking - Telephone: 01-283 9111. Telex: 8813401/2 Dealers - Telephone: 01-623 4098/9. Telex: 8812224 Telegrams: Arabal London EC4

Park Lane Branch: 131-132 Park Lane, London WTY 3AD Telephone: 01-629 8474 Telex: 299546 Telegrams: Arabal London W1

This announcement appears as a matter of record only.

Tricentrol

US\$65,000,000

8 year Unsecured Multi-currency **Global Credit Facility for Tricentrol PLC** and Group Companies

Provided by

THE ROYAL BANK OF CANADA



Multi-Purpose to pull out Grupo Alfa debt of HK property arm

BY ROBERT COTTRELL IN HONG KONG AND WONG SULONG IN KUALA LUMPUR

Holdings is making a phased quoted arm, Intercontinental Housing Development (IHD), and plans to pass control to a third company, Territorial

The only details so far known about Territorial are that it is registered in Hong Kong, and HK\$537.9m owed by Accordance. represents overseas Chinese investors in South-East Asia. :

IHD is 94.3 per cent owned by Bandar Raya Developments (BRD), which is in turn 41 per cent owned by Multi-Purpose Holdings. In the first stage of the transaction, BRD will buy IHD's major assets, comprising 24.7m shares in United Estates Projects Berhad, and 8.75m shares in Sharikat Pertama Sendirian Berhad, BRD will pay IHD HK461.2m (US\$77m), representing HK\$7.50 per UEP share, and HK\$31.5 per SPSB

UEP and SPSB are both Malaysian property companies: UEP is developing Subang Jaya new town near Kuala Lumbur while SPSB has a 15-acre site in Kuala Lumpur for which development approval has been

The second stage involves the injection of new assets into IHD. GIL said when it sold its 29.7 per cent of IHD at a later Agreement has been reached controlling stake in IHD to stage; BRD should realise a for IHD's wholly-owned subsi- BRD that the major Malaysian substantial amount of each to

Holdings is making a phased to buy Asean Plaza, an office Malaysia, withdrawal from its Hong Kong block in Tsim Sha Tsui East, a The ne commercial district of Hong Kong at the southern tip of Kowloon. The block was valued last month at HK\$548m. Dixon will pay HK\$7.1m for the share capital of Accordance and will assume debts of

The third stage is the passing of control from BRD to Territorial. Territorial will make a cash offer of HK\$4.24 per share to IHD shareholders. BRD has said it will accept the offer in respect of 64.6 per cent of IHD's share capital, but will hold on to a further 29.7 per cent.

Schroders and Chartered, the merchant bank advising Territorial, says the offer values the whole of IHD at HK\$545m.

Territorial says it intends IHD largely because of its hold-that IHD should become a Hong ings in UEP and SPSB. After Kong property company. BRD says it will be selling its residual 29.7 per cent holding in IHD within a year from the close of the Territorial offer. IRD was incorporated in 1972, BRD acquired 57.7 per cent from Goodyear Investors

in 1980 and made a general offer in April, 1981.

MALAYSIA'S Multi-Purpose which has a binding agreement handled by management in The new initiative by BRD to assume direct control of

IHD's Malaysian assets looks like a logical extension of that operation. Schroders and chartered; says details of Territorial

Developments will become available when a formal offer document is released. Financial circles in Knala Lumpur see three reasons for IHD's restructuring First, because there is no double taxation agreement between

BRD is heavily taxed on dividends it receives from IHD. BRD's 1981 pre-tax profit was 19.5m ringgit (US\$8.5m). but its after-tax profit was only Second, BRD bought into

these stakes are hived off the

Malaysia and Hong Kong, and

attractions of IHD for BRD are considerably reduced. Third, MPH is finding it great burden to service all the loans it took to finance its spate of acquisitions. These include a HK\$465m loan to help BRD buy

into IHD. By selling off the remaining 29.7 per cent of IHD at a later

diary, Dixon, to buy a private projects being carried out by enable it to pay a better divi-company called Accordance IHD could be more profitably dend to help MPH.

defaults feared

BY WILLIAM CHISLETT IN MEXICO CITY

GRUPO Industrial Alia, the in his negotiations with Se troubled Mexican conglomerate Carlos Martinez tilloa the which suspended in April prin former head of foreign borrow. cipal payments on its \$25n ing operations at the finance external debt, meets the steer- ministry who is handling the ing committee of its creditors matter for Banolicas. today and according to bankers may declare that some of its

companies can no longer meet to buy Petrocel and Polioles. interest payments. The situation of Alfa, which chemical joint ventures with last year reported a loss of BASF of West Germany and \$234.4m after greatly over Hercofina of the U.S. and not extending itself, has taken a only lame duck companies with turn for the worse since heavy debts. Alfa however, is negotiations broke down last not happy with Banebras offers. week with Banobras, the state The government is driving a public works bank, over the hard bargain after being government's possible purchase fiercely criticised by the left of some Alfa subsidiaries. for coming to the rescue of
At the same time, Alfa, Alfa, a majority of whose
which has interests in real shares are held by the Garza of some Alfa subsidiaries.

Sada family. estate, steel, petrochemicals, and consumer and capital goods. has been prevented by the government from drawing on after the July A general elec-an unused line of credit worth rions when the long ruling 2.2bn pesos (\$47.8m) from Institutional Restinitionary Banobras. The loan was part Party will be challenged for the of a government aid package first time by the list.

granted last year.
Alfa told its bankers in April ouire additional financing or a temporary reduction in the

Sr Rafael Paez. Alfa's new against humping all of Alfa's managing director, has debts together in a restaurating apparently reached an impasse plan.

GROSS per share

Bankers said they understood that the government would like Alfa's two successful petro-

The government prefers to put off the Alfa discussions until

Meanwhile Alfa's 184 foreign that if the Banobras money did creditors are squabbling over not come through, it would re- what companies should be inquire additional financing or a chided in the debt restructuring. Banks with loans to sound overall level of interest rates, companies, like Hyss. Affas Bankers are opposed to both star steel mill where Sr. Paez was formerly in charge, are

\$200m loan for Bahrain group

Consortium for Investment, a Bahrain offshore company formed earlier this year with a

The \$200m loan is believed to Bahrain directly for a non-government borrower. The lead management group, in eddition pany plans to raise its capital to BBK, includes Kuwait to \$60m, BIC was established

BANK of Bahrain and Kuwait Gulf International Bank, Arab of only BD2.5m (\$6.6ar). (BBK) is arranging a US\$200m Banking Corporation, Saudi About half the addition for the Bahrain and Kuwait National Commercial Bank, funds are expected to United Gulf Bank, and Bahrain Investment Company.

The four-year loan carries an paid up capital of BD55m interest rate of I percentage (U.S.\$146m). point above the six-months' Bahrain inter-bank offered rate, be the biggest arranged in with a grace period of 18 Bahrain Investment Com-

Trading and Con- as a closed company in 1977, tracting Investment Company, but its progress has been hambalance sheet to Al Ahli Bank of Kuwait, pered by a small capital base cent to BD23m.

About half the additional funds are expected to come from existing Bahraini shareholders, which include the General Organisation for Social Insurance (GOSI).

The remainder will be subscribed by companies and financial institutions in Bahrain and other Gulf states.

The company's annual report. just published, shows a 74 per cent improvement in net earnings in 1981, to BD422,090, Its balance sheet total rose 42 per

SHK completes | ICS sees margin squeeze share sales

By Our Hong Kong

SUN HUNG KAI Securities has completed the deal announced last month whereby Merrill Lynch of the U.S. was to acquire a 25 per cent stake in Hong Kong's largest stockbroker while France's Paribas would increase its stake from five to

1975

7,461 185,944

adversely influenced by in- from 18 cents. creased interest and operating costs in the year ending February 1983, Mr W. H. Nezte, chairman said, Costs of the South African spending on major projects is

food group are being contained estimated at I where possible but demand may five years. be affected by current economic

almost 10 per cent. The outstanding element of the deal was a tender offer for 10 per cent of SHK shares, to be split to standing element of the deal tax profit rose to R32.18m terest in Imperial Cold Storage, was a tender offer for 10 per cent of SHK shares, to be split rose to R25.23m in the to operate independently. between Mertill and Paribas. previous year, earnings per Reuter

IMPERIAL Cold Storage and share to 64.8 cents from 50.2 Supply's margins could be cents and dividends to 20 cents

Mr Neate said last year's improved results reflect benefits from the company's continuing investment programme Capital estimated at R80m over the next

Since the company's year end C. G. Smith and its subsidiaries

The Hongkong and Shanghai Banking Corporation, P.O. Box 59; Bandar Sen Begawa

P.O. Box 82, 1941 Broad Street, St. Helier, Jersey. CHANNEL ISLANDS. Koug) Nontiners Ltd G.P.O. Box No. 295. Comzaght Centre HONG KONG.

Iskarta INDONESIA.

Bercleys Kol & Co.N.V., Postbus 160, Henengracht 500, Amsterdam-C. NETHERLANDS. Australia & New Zealand Banking Group Liniaed, P.O. Box 1896, NEW ZEALAND.

BARCLAYS UNIBOND TRUST

NOTICE IS HEREBY GIVEN that the income distri-

bution (including equalisation where applicable) for the

period 6th May 1981 to 4th May 1982 totalled US \$9.77

COUPON No.4 at the rate of US\$9.77 per share.

Coupons should be detached from Share Certificates and

presented for payment at the office of any of the Paying

Agents named below and left for three days for examina-

tion. Coupon listing forms may be obtained from the

Paying Agents COPIES OF THE HALF-YEARLY REPORT

for the period 4th November 1981 to 4th May 1982 will be available to shareholders at the offices named below.

1 Louinbourg S.A., Boine Postale 2205,

2 Boulevard Royal, LUXEMBOURG.

Mid-Med Bank Limited Savings Office, 233 Republic Street, Valletts, MALTA.

is payable on and after 30th June 1982.

Backing Componition, P.O. Box 78, Post Mostaby,
PAPUA NEW
GUINEAL Société Benciere Barcisys (Suisse) S.A., Case Postale 221, CH-1211 Geneva II, SWITZERLAND.

Bank of Nature. PO:Box 289 NAURU. * Bankeys Bank Limited, Securities Services
Dept., Second Phote,
M Lombard Street, London EGIF JAH. UNITED KINGDOM

(Vanuatu) Ltd., P.O. Box 123; Vila,

May 1982

BARCLAYS

U.S. \$50,000,000

Crédit du Nord

Floating Rate Notes Due 1992

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 23rd June, 1982 to 23rd December, 1982 the Notes will carry an Interest Rate of 1612% per annum. The relevant Interest Payment Date will be 23rd December, 1982 and the Coupon Amount per U.S. \$10,000 will be U.S. \$854-64.

Credit Suisse First Boston Limited

Kredietbank

Good figures after a difficult year

Some key nightes from the balance sheet at of march							
(in million BF)	1982	1981	1980				
Capital and reserves Working funds Credit to the	15,894 540,908	15,126 443,936	14,026 392,634	•			
private sector in any form public sector Profit for the financial year	269,292 183,785 1,761	236,008 152,051 1,760	201,519 135,141 1,735				

Same key figures from the balance sheet at 31 March

152,051 1,760 486,327 365 429,880 355 8,433 739 207,138 245 588,301 365 Net dividend (BF) 8,460 749 8,035 8,523 Number of branches 694 * In 1981, this dividend was paid to 2,005,717 shares, while 100,285 new shares resulting from the bonus allotment were entitled to half the dividend for the linancial year; thus in 1982 the same dividend is paid to the 2,106,002 outstanding shares.

Useful addresses

Head office Arenbergstraat 7, B-1000 Brussels (Belgium) **Branches**

Balance sheet total

753 branches in Belgium Abroad

Kredietbank New York Branch, 450 Park Avenue, 6th floor, New York, N.Y. 10022 Kredietbank Grand Cayman Branch, P.O. Box 694, George Town, Cayman Islands Kredietbank (O.B.U.), Salahuddin Building, P.O. Box 5456, Manama, Bahrain

Subsidiaries

In Belgium Crédit Général S.A. de Banque, Grote Markt 5, B-1000 Brussels Hypotheek- en Spaarmaalschappij van Antwerpen, Mechelsesteenweg 176-178, B-2000 Antwerp

Irish Intercontinental Bank Ltd., 91 Merrion Square, Dublin 2 Bankverein Bremen, Wachtstrasse 16, Postfach 107420, D-2800 Bremen 1 Associated Banks

Kredietbank S.A. Luxembourgeoise, 43, Boulevard Royal, Luxembourg Kredietbank (Suisse) S.A., 7 Boulevard Georges-Favon, CH-1211 Geneva 11 Inter-Alpha Asia (Singapore) Ltd., UIC Building, 20th floor, 5 Shenton Way, Singapore 0106 Inter-Alpha Asia (Hong Kong) Ltd., 2501 Connaught Centre, 1 Connaught Place, Hong Kong

Representative offices
In the USA (4 centres), Australia, South Africa, Mexico, Japan, Brazil, Singapore, Iran, Venezuela, Hong Kong, Spain and Great Britain.

Member of the Inter-Alpha Group of Banks

A copy of Kredietbank's 1981-1982 annual report can be obtained from the following address:



INTERNATIONAL APPOINTMENTS

Pharmaceutical chief for **Procter and Gamble** Reader's Digest Association, has become chief executive officer of SOURCE TELECOMPUTING CORP, a subsidiary. He replaces Mr Graeme Repeing, who has resigned for personal reasons. • Mr Hyman Weinberg, a general partner of Goldman Sachs and Co, has been elected a trustee of the FINANCIAL ACCOUNTING FOUNDATION. He fills a vacancy on the board of trustees. The trustees are

 PROCTER AND GAMBLE CO.
has appointed Mr Charles C.
Carroll to head the worldwide
pharmaceutical operation it purchased from Morton-Norwich Products Inc on June 9. He is currently vice-president, beauty care and health and personal care divisions, and has been elected vice-president, Norwich division. He was also appointed general manager of Norwich-Eaton Pharmaceuticals Inc. He will assume overall responsibility for Procter and Gamble's pharmaceutical business. Mr W. B. Counell will head the heauty care division and C. A. Lieppe will head the health and personal care division.

Dr John Fey has been appointed chairman of National Westminster Bank's whollyowned New York-based subsidiary, NATIONAL BANK OF NORTH AMERICA. Prior to his new apparatus of the Fey was a proper of the property of the proper now the America. Prior to his new appointment Dr. Fey was chairman of Equitable Life Assurance Society (USA). He succeeds Mr John Vogel, who has retired Mr William Knowles, who continues as president, takes on the additional duties of chief executive officer, succeeding Mr Thomas Frost, who returns to the UK as general manager of National Westminster Bank's business development division. Mr Robert Wallace, senior executive vice-president, has taken on the additional responsibilities of Mr Knowles's previous position as chief operating officer.

RLM's deputy head of marketing and head of freight marketing, Mr P. Bouw, has been appointed area manager Europe and Africa from January I, 1983. He succeeds Mr L. Asjes, who will be retiring at the end of this year. Mr Borw will be succeeded as head of freight marketing by Mr L. M. van Wilk, presently head of freight handiing and deputy head of the freight department of Schiphol

● The president and chief operating officer of General Telephone and Electronics Corp. in the U.S., Dr Thomas A. Vander-slice, has been elected to the board of EMERY AIR FREIGHT CORP. He replaces Mr Walter G. Corcoran, a former senior vice-president of the company, who is retiring.

● Mr George V. Grune, a vice-president and director of The

Advisory Council. The foundasight over those two organisations. The board of trustees is made up of nominees Agent Bank

New Issue

of trustees. The trustees are responsible for selecting mem-

hers of the Financial Account-ing Standards Board and Its



Alahli Bank of Kuwait (K.S.C.)

U.S.\$30,000,000

Negotiable Floating Rate Certificates of Deposit 1985-1987

Orion Royal Bank Limited

Arab African International Bank Grédit Agricole

Gulf International Bank B.S.C.

LTCB International Limited

Banco de Bilbao, S.A.

Die Erste österreichische Spar-Casse First Austrian Bank Kuwaiti-French Bank

Takugin International Bank (Europe) S.A.

Yasuda Trust and Finance (Hong Kong) Limited

Account Dealing Dates
Option

*First Declara- Last Account
Dealings tions Dealings Day
June 7 June 17 June 18 June 28
June 21 July 1 July 2 July 12
July 5 July 15 July 16 July 26

"New time" deating may take
place from 9 am two business days
earlier.

Sterling's continuation of its overnight New York rally against the dollar gave London stock markets cause to put on a slightly braver face yesterday after seven days of falling values. All three main investment areas recovered as demand created by professional covering created by professional covering of short positions temporarily relieved markets from the adverse effects of U.S. interest rate anxieties and threatening domestic industrial problems.

The Middle East crisis failed to check the largely technical to check the largely technical recovery, but leading shares wilted noticeably after the official, 3.30 pm, close. This followed a return of Wall Street uncertainty in the light of a pessimistic forecast by a leading U.S. investment analyst; the market there was slightly firmer in the early trade yesterday.

in the early trade yesterday. Mi Earlier, the continued reluct- able ance of UK investors to commit recently on takeover hopes, refund to London equities left the undertone still fracile. undertone still fragile, and most leading industrials gave up the bulk of their gains in the after-hours' trade. Illustrating this, the FT Industrial Ordinary share index closed only 0.9 higher at 555.8 after having posted a rise of 4 points at the 3 pm calcusting of a few pence in Comlation. Over the previous seven sessions, the index had dropped pearly 30 points.

P/E Ratio (net) (*):....

Gold Mines . 302.0

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Figure 125

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- 12 - 12 - 12

- 13:1400 604:15:

- 8. 12

Bear-covering and revived small investment inquiries found the Git-edged market especially responsive. Underlying condi-tions were even more sensitive than in equities and, with the pound maintaining its recovery pound maintaining its recovery throughout the day, the Funds went progressively higher. After the official close, the longs hardened a shade further, stretching their geins to nearly a point. Rises at the shorter end of the market ranged to \(\frac{1}{2} \) and the £30-paid tap, Treasury 121 ner cent Convertible 1886 imper cent Convertible 1986 improved that much to 291.

South African Gold shares remained extremely quiet and the effects of a bear squeeze, initiated by yesterday's rally in the bullion price, soon began to fade. Final movements were small and mixed with the FT Gold Mines index down 2 points more at 181.2.

Minet active

FINANCIAL TIMES STOCK INDICES

Fixed Interest........ 69.62 69.51 69.93 70.29 70.35 70.42 67.82

Total bargains.......... 14,125, 15,605: 16,731, 14,869, 15,052, 17,842, 18,285

10 am 556,0. 11 am 556.3. Noon 557.5. 1 pm 558,6.

2 pm 558.6, 3 pm 558.9.

Latest Index 01-246 8026.

High Low High Low — Daily

Govt. Secs. 70.40 61.89 127.4 49.18 Gik Edged Bargains... 141.8 160.8 (617) (617) (6176) (6176) Equities.... 71.3 84.7 Value 205.5 277.0 5-day Avrgs.

594.0 518.1 597.3 49.4 5-day Avrge.

(8/6) (5/1) (68/4/81) (28/8/80) Gilt-Edged

8.302.0 181.2 558.9 43/5 Equities 159.9 165.9 (6/1) (22/8/80) (28/18/71) Barga ins... 79.4 81.8 244.5 244.5

HIGHS AND LOWS

Basis 100 Govr. Secs. 16/10/126. Fixed Int. 1928. Industrial Ord.

... 566,8 554,9 558,0 659,4 568,5 570,9 544,5

181.2 183.2 195.4 203.2 211.1 210.6 315.0

10.38 10.35 10.41 10.45 10.60 10.65 10.61

- 101.65 137.05 118-73, 99.71 147.64 104.22 - 11,005 13,076 12,050 11,216 13,914 14,304

Minet, the subject of considerposites were pared and some-times replaced by net falls

The FT-Actuaries All-Share index closed 0.9 per cent down at 323.28—more than 5 per cent off its June 8 record high.

volatile market of late recovered from Monday's bout of profit-taking and closed 10 higher at

Leading Electricals passed a relatively quiet trading session, but usually closed a few pence

figures Racal firmed 5 to 4280

helped by the announcement of a f20m. Navy contract. Plessey ended a couple of pence dearer at 452p, after 455p, while Ferranti traded firmly at 725p,

up 5, in front of today's annual

results. Scattered support left Cable and Wireless 7 to the good at 275p, while United Scientific,

up 17 at 357p, more than re

covered the previous day's fall

ing Engineers ended the day with small mixed movements.

John Brown closed a penny

cheaper at 54p, sentiment not being helped by the company's statement on U.S. sanctions

against trade with the Soviet Union and the possible implica-tions for its Siberian gas tur-

bine contract. Vickers hardened

to 143p in the early dealings, but

closed 3 down on the day at 139p following the proposal to reduce

output at its Rolls-Royce sub-sidiary. British Northrop ad-vanced 6 to 18p on the cash offer of 18p per share from the priv-ately-owned Padworth Invest-ments, while GEI International

responded to the preliminary figures with a rise of 7 to 82p.

Business in Foods was at a low

ebb, but the leaders displayed

occasional improvements. Else-

where, Hazlewood Foods gained 6 to 242p following the reported

News of the rights issue suc

cess prompted support for Grand Metropolitan, which touched 227p before settling a net 4 up at 226p.

displayed a firm appearance but trading conditions were ex-

tremely slow and most quota-tions finished a few pence below the day's best. Reed Inter-national touched 292p before

Leading miscellaneous issues

Trending firmer initially, lead-

following reports of a broker's The major clearing banks took

The major clearing banks took a distinct turn for the better in late dealings on technical influences. Barclays and Lloyds both gained 13, to the common price of 388p, while Midland, 332p, and NatWest, 426p, added 4 apiece. Hambros, standing 4 higher awaiting the annual results, reacted to 108p on the annual common price of the standard presents. announcement before closing unchanged on balance at 113p. Recently dull leading Buildings staged a useful rally, mainly on technical influences. Tarmac, at 284p, recouped 12 of the previous day's fall of 16, while BPB Industries, a particularly depressed market recently on

worries about the impact on rofits following the devaluation of the French franc, touched 420p before settling a net 8 up at 418p. Blue Circle improved 4 to 434p and RMC 5 to 241p, while Redland, preliminary results due tomorrow, put on 4 to 172p. Housebuilders remained over-shadowed by waring interest rate optimism, Barratt Developments shedding 3 for a two-day fall of 15 to 271. Countryside, however, hardened a penny to 135p following the increased interim profits. Elsewhere, Burnett and Hallamshire touched \$55p before closing a net 20 pp at \$35p following the good preliminary results and the good preminiary results and the chairman's confident statement. ICI edged up to 316p before drifting off to close unaltered on balance at 312p. British Benzol put on 2 for a two-day gain of 2½ to 13½p in response to the return to profitability.

Sonic suspended

Leading Stores took up a slightly firmer position, although trading remained thin. Gussle A added 10 to 500p. Dealings in hi-fi retailers Some Sound were suspended at 34p pending an announcement; the shares, traded at 129p earlier in the year, have tumbled sharply following the interim loss. In contrast, Polly Peck attracted scattered support and at 325p, settling at 290p for a rise of 6 convered the previous day's fall on balance following the Mono-convered today. J. Beattle A the proposed transfer of 19 were quoted ex-the-scrip issue at newspapers to the group. Har-67p, a gain of 2. A. Caird, a greaves Group responded to the

profits with a rise of 6 to 60p, while Whitecroft, still reflecting

while Whitecroft, still reflecting satisfactory preliminary figures, firmed 3 more to 71p.

Johnson Matthey took a distinct turn for the better and rallied 8 to 235p, but Wolseley-Hughes encountered selling and gave up 7 to 353p. Chubb picked up 4 to 107p after recent duliness on suggestions of a rights ness on suggestions of a rights issue; the preliminary results are due today. Renewed demand lifted Camrez 2 more to 59p, while Scottish Heritable were also noteworthy for a rise of 41 to 43p. Other firm spots included Diploma, 7 to the good at 255p; and BTR, 6 better at 312p. Silentnight hardened 2 to 92p

Trident TV attracted further speculative interest and put on 3 for a two-day gain of 6 to 70p. Horizon Travel, a dull market recently on reports of fewer holiday bookings, rallied 9 to 195p. Leisure Industries shed 2 to 131p on disappointment with the annual results.

Motors and Components rarely showed price movements in Charter up on results excess of a couple of pence. Lookers hardened a penny to 47p despite the sharply reduced interim profits, while Braid moved up 2 to 54p following the company's further opposition to Lookers' 50p per share cash bid. Paper Printings featured mrese which advanced 6 to 128p following news that the bid from Bunzi has been cleared by the Monopolies Commission; Bunzi added a penny to 163p. Bullish comment on the interim statement prompted further sup-port of Allied International Designers, 21 dearer at 33p. G. B. Papers held at 21p follow-

ing the reduced full-year loss. Leading Properties took a modest turn for the better. Centrovincial Estates hardened a penny to 171p in response to the increased annual revenue and dividend, while Espley-Tyas added a like amount to 87p following satisfactory interim results. Second City Properties stayed at 551p; it was announced yesterday that Control Securities had reduced its stake in the company by 100,000

Oils quiet

Oils rarely strayed far from overnight closing levels. British Petroleum edged up a couple of pence to 304p, while Shell fluc-tuated narrowly before settling without alteration at 400p. Elsewhere, late support lifted Sovereign 15 to 295p. The absence of news on the Humbly Grove drilling left Carless only 2 firmer at 167p, after 170p. KCA 5 to 78p. Drilling encountered support and put on 5 to 46p.

In Overseas Traders, Tozer 172p, and "A Kemsley, at 60p, picked up the previous day's fall of twopence. The general Incheape held at 255p after recent weakness on disappoint- market and lack of support for

Trusts presented a mixed sulted appearance. Among money disappointing session in Traded brokers, Exco International Options. Contracts completed closed 5 better at 188p, while RP Martin finished unaltered at —barely half the previous day's 315p after being down to 310p. total.

wealth regaining 4 to 442p and Ocean Transport 3 to 117p.
Textiles generally ended little changed, but Nottingham Manp-facturing put on 8 to 178p. Stirl-ing Group rose another two pence to 71p, but losses of 2 were recorded in David Dixon and Montfort Knitting Mills at 1982 lows of 94p and 39p respectively. Small and Tidmas gave up 3 for a three-day drop of 10 to 65p following last week's

Shippings followed the better

(Jersey) Knit, firm recently on results, eased 3 to 79p, while Robert H. Lowe closed the same amount lower at 52p. After a small two-way business, Tobaccos ended on an irregular note with Imps unchanged at 96p and Bats rallying 5 to 445p.

annual general meeting. Nova

South Africans turned steadier after Monday's sharp falls, although OK Bazaars fell 25 more to 600p. S. A. Brewerles picked up 2 to 160p and Barlow Rand railied 9 to 277p.

Having attracted scattered

ment, Charter Consolidated were marked sharply higher top end of market estimates and the expected 10 per cent dividend rise; despite an absence of follow-through demand, shares closed a net 15 higher at the day's best of 185p. Other Loudon-based Finan cials also made a firm showing, with Gold Fields also 15 to the good, at 330p, and RTZ 11 dearer

South African Golds regained a certain amount of poise after the heavy falls of the previous few days. Helped by the weaker dollar, the bullion price rebounded above the psychologi-cally important \$300 an ounce level to close \$10.25 higher at

Heavyweights finished with modest gains. Kloof rose 🖁 to \$10%, while Driefontein firmed 34 to 862p and Randfontein hardened a shade to \$201. Lower-priced counters, how-

ever, displayed a decidedly mixed appearance and the Gold Mines index eased 2.0 to 181.2 to record a loss of almost 30 points over the last four trading

West Rand Consolidated continued to react to the news that State aid is to be withdrawn from the beginning of next year and gave up 5 for a three-day fall of 25 to 52p. South African Land, 92p, and Viakfontein, 63p, both eased 6, but Loraine rallied

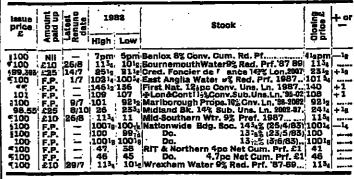
Diamonds were also firmer at the close with De Beers 7 up at 172p, and "Anamint" a point The generally uninspired per-

formance of the London equity

Stock						EQUITES						
T280 F.P. 23/8 280 250 Assoc. Heat Services 250 +1 51.51 2.5 4.41 2.5 4.61 2.5 4.61 2.5 4.61 2.5 4.61 2.5 4.61 2.5 4.61 2.5 4.61 2.5 4.61 2.5 4.61 2.5 4.61 2.5 4.61 2.5 4.61 2.5 2.	price	Amount paid up	Latest Renunc. Date			Stock .	Clouing price	+ or		Times	Ser Yield	P. P.
	7250 46 190 15 5250 5518 130 1871sp 1137 1105 600 77		30/7 25/6 16 4 4/5 28/5 25/8 2/7 2/7 29/6	280 55 101 325 435 59 163 98 17 170 121 630 97 180	250 92 19 293 55 140 150 150 150 150 150 150	Assoc. Heat Services Belirstow Evas 5p. Sellack(Michael) 80p Cambrian & Gen. 7sp Cont. Microwave Druck Hidgs. Services Bectro-Prot. USSE.58 Logroup Inv Option. Michael Stone. Michael Stone. Michael Stone. Sellect Sto	502 93 30 420 55 163 122 112 1112 595 89 180	+1 -2 +5 -10 +2	b1.51 u3.0 b5.25 b2.3 u91.50 b5.75 ud2.0 b980c b5.6 b8.8	2.5 2.4 3.9 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5	4.4 4.5 1.5 2.0 0.9 4.9 9.6 4.7	12. 12. 15. 28. 12. 19. 9.

CAUSTIFS

FIXED INTEREST STOCKS



"RIGHTS" OFFERS

isaue price		E S	Late Renu dat	nc.	198	B2 .	Stock	rice of d	+ or
l	Price	Par.			High	Low		5-	<u> </u>
	10 166 17D	Nii	27/4 2 13/5 2	_	1354 22pm 190	18pm	Ansbacher (H.) 5p Applied Computer Tach Bank Leumi (UK) £1	104 18pm 185	
	135 174	F.P.	128/5 128/5 18/6 3	9/7	180 233	158	Carless Capel 10p Grand Met 50p	170	+4 +7
	Kr.180 50 325	NII .	24/6 1 17/6 3	3/8	£5.pm 8pm 445	2 pm	Great Northern Tel (£10) Press (Wm.) 10p Saatchi & Saatchi 10p	2pm 390	+10
	215 10 25	F.P.	5/7 1 24/3 2 10/5 1	5/4	40pm 121 ₂ 241 ₂	912	Sketchiey Sturia 10p Young (H.)	29pm 91g 24	
	i		•		i 1		1		

Remunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate peld or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. I Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1882. Q Gross. T Figures assumed. • Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise Indicated. I Issued by tender. ¶ Offered to holders of ordinary shares as a "rights." **Issued by way of capitalisation. §§ Reintroduced. If Issued in connection with reorganisation, merger or take-over. [¶ Introduction. ☐ Issued to former preference holders. ■ Allotment letters (or fully-paid). • Provisional or partly-paid allotment letters. ** With warrants. If Dealings under special Rule. ** Unlitated Securities Market. ‡‡ London Listing. † Effective lesue price after scrip. † Formerly dealt in under Rule 163(2)(a). †† Unit comprising five ordinary and three Cap. ghares. A Issued free as an entitlement to ordinary holders. Renunciation date usually last day for dealing free of stamp duty. b Fig

ACTIVE STOCKS

STOCK
Minet Hidgs
Polly Pack
Prudential
RTZ
Vickers

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List

L	HIGH	u, u				
	No. of clas	ing		No. of	closing	
	price pric	ce Day's		price	price	Day's
Stock ci	hanges pen	ce change	Stock	Changes	pance	Change
Caird (A.)		Dxd -40	Tarmac New	, 1Ŏ	272	-16
RTZ	12 34		Trident TV A	10	67	∺ 3
Broiys Bk New	10 37	5 - 8	Blue Circle	. 9	430	ı— 8
Cna Gld Fields	10 31	5 - 8	Hanson Ts:		158xd	— 7º
GEC	10 92	4 - 1	ICI	-	312	
Glaxo	10 68		Polly Peck	. 9	314	-11
Minst		8xc + 8	Racal Elec		423	+ 5

FT-ACTUARIES SHARE INDICES

S.E. ACTIVITY

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS	1	Tues J	une 2	2 198	2	Man Jene 21	Fri June 18	Thur June 17	Wed June 16	(approx.)
Flg -	& SUB-SECTIONS Less in parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earnings Yield % (Max.)		Est. P/E Ratio (Net)	Index No.	index No.	index No.	Index No.	index No.
1	CAPITAL G000S (209)	380.61	+0.8	9.51	4.32	13.00	377.45	383.50	394.61	388.59	345.76
2	Building Materials (23)	322.49		12.29	5.62	9.80	317.77	324.12	330.00	33246	302.39
3	Contracting, Construction (28)	579.50	+0.2	14.85	5.29	7.94	578.25	574.72	606.30	61446	55130
4	Electricals (31)]434.30 _.	+0.5	6.75	2.09	18.82	1427.48	1432.99			
5	Engineering Contractors (11)	476.79	+14	23.90	6.35	2.65	470.39	475.94	490.72		488.34
6	Mechanical Engineering (67)	196.42		11.69	5.95	19.33 10.50	194.59 147.41	19539 151.95	196,97 155,34	200.31 156.75	21433 162.96
8	Metals and Metal Forming (11)	150.46 88.55	+21	1191	8.00 7.99	70.56	超段	89.17	. 39.41	92.27	18246
.9	Motors (20)	350.24	+16	10.36	6.09	11.85	344.69	35191	356.34	361.19	378.5
30	Other Industrial Materials (18)	30231	+0.9	13.71	5.78	923	299.56	303.01	301.76	301.48	285.79
21 22	Brewers and Distillers (22)	320.76	+13	14.50	636	240	316.77	321.46	322.45	325.43	32516
25	Food Manufacturing (22)	257.53	+0.7	1811	7.30	6.44	25.63	257.88	266,40	264.54	260.52
2	Food Retailing (14)	505.85		9.26	3:69	1311	603.06	619.45	613.04	615.76	521.90
45 27	Health and Household Products (8)	458.88	+1.2	7.70	3.78	15.33	45.73	451.63	454.16	462.28	337.36
29	Leisure (23)	415.75	+0.2	10.68	5.57	ַתנון	474.85	42010	423.15		43031
32	Meuropers Publishing (13)	515.13	-0.2	13.23·	6.06	. 9.53	516.13	519.72	525,17	531,22	505.70
33	Perkaning and Paper (14)	140.89	+1.4	16.56	7.7t	7.02	138.88	143.64	146.33	1	150.97
34	Stores (45)	275.54	+1,1	10.66	5.05	12.39	272A3	275.11	275.0	277.99	278.04 163.55
35	Textiles (23)	162.42	+0.7	14.05	6.60	8.68	161.29 929.61	162.65	163.88 334.15	167,31 337,80	262.43
36	Tobaccos (3)	332.09 268.43	+0.8 +8.1	21.98 6.13	8.28 5.79	5.13 31.35	268.26	273.09	280.92	262.27	301.21
39	Other Consumer (14)	250.24	+0.3	13.74	6.65	881	249.49	251.12	257.04	259.58	230.92
41	OTHER GROUPS (77)	334.85	-03	13.75	6.96	8.73	335.90	337.75	341.90	36.29	290.27
42	Chemicals (16)	108.35	-82	15.74	8.45	7.80	105.57	106.90	106.90	188.27	115.28
44 45	Shipping and Transport (13)	546.06	+0.8	20.15	7.55	6.02	541.68	53.63	563.06	572.83	550,39
46	Miscellaneous (44)	322.25	+0.9	11.67	5.83	10.44	319.49	329.18	332.31	334,75	299.89
49	INDUSTRIAL GROUP (487)	321.85	+0.8	11.85	5.35	10.28	31928	323.16	325.5%	329.28	298.82
?	0lb (13)	734.02	+0.4	22.13	8.14	5.12	71132	71123	716.91	728.28	751.86
	500 SHARE INDEX	353,79	+0.7	13,49	5.80	8.85	351.20	35ATI	357.A4	K	355.51
2	FINANCIAL GROUP (117)	243.09	+10	1	6.96	-	249.64	244.53	246.28	24825	251.56
62 63	Pro-lantes'	267.34	+24	38.93	8.51	281	261.63	267.58	278.34	270.67	268,62
63	Discount Houses (9)	223.77	-9.3	· <u>-</u> -	20.19	. — 1	224.54	225.92	230.61	240,32	250.22
65		266.36	+16	!	6.87	·	261.95	265.05	265.47	270.85	266.76
~	hapmance (Composite) (10))	150A2	+0.3		941		149.98	15235	153.50	154.58	170.13
67	Incurance Brokers (7)	493.45	+0.8	1142	5.26	11.99	489.59	467.04	45.39 141.80	477.13	394.09
68	Merchant Banks (12)	135.99	+8.3		6.34	24.25	135.54 467.12	139 <i>37</i> 412.13	41448	142.73 407.45	169.05 473.39
69	December (49)	408.92	+9.4	551	3.93	618	163.74	16676	167.35	168.22	182.36
70	Other Financial (15)	163.77	- = 1	18.70	6.99 5.66	- 0.40	296.45	299.16	298.80	296.57	311.32
71	investment Trusts (111)	258.19	+9.6 +4.3	17.68	7.98	7.09	169.40	174.34	179.30	18251	245.36
81	Mining Finance (4)	176.70 333.98	+20	15.34	959	802	327.29	33LB	337.25	350A6	453.19
91	Overseas Traders (18)	323.28	+0.9	-22	6.07					39.75	
99	ALL-SHARE INDEX (750)		70.7		420. }	1					
			AVERAGE GROSS				Toes Jame	Mon	Year		

590

691

7.64

6.30

55%

111.56

+8.78 112.79

+0.82 116.93

+8.62 111.03

110.63 +0.73 199.62

1834 +032 88.06

113.66

117.89

<u> 111.71</u>

2 515years

Over 15 years.

NEW HIGHS AND LOWS FOR 1982

The following quotations in the Share nformation Service yesterday attained new lighs and Lows for 1982. NEW HIGHS (14) BEERS (1)
Young Brewery "A"
CHEMICALS (1) Anchor Chem.
ELECTRICALS (1)
Whitworth Elec.
ENGINEERING (2)
Mitchell Sc Hardrever Scottish Heritable MOTORS (2)
Gen. Mts. Units Braid Group PAPER (2)
AID Delyn Packaging TEXTILES (1) MITTHEN 301
INDUSTRIALS (3)
Whitecroft

Stirling Group
Oil AND GAS (1)
Shell Transport 7pcPi.
NEW LOWS (118)

NEW LOWS (118)
AMERICANS (4)
CANABUANS (17)
BRANKS (2)
BUILDINGS (4)
DRAPERY AND STORES (5)
ELECTRICALS (5)
ENGINEERING (2)
FOODS (1)
INDUSTRIALS (12)
MAPER (3)
PROPIETY (6)
SOUTH AFRICANS (1)
TRUSTS (8)
OVERSEAS TRADERS (1)
RUBBERS (1)

RISES AND FALLS YESTERDAY

584 518 1,461 **OPTIONS**

First Last Last For Deal- Deal- Declara- Settle-ings ings tion ment May 24 June 11 Sept 2 Sept 13 June 14 June 25 Sept 16 Sept 27 June 28 July 9 Sept 30 Oct 11 For rate indications see end of
Share Information Service
Stocks to attract money for
the call included First National the call included First National Finance, Premier Consolidated, Trident TV, Hawley Leisure, Charter Consolidated, Tozer Kemsley, Rothmans, Stewart Nairn, Carrington Viyella, Acrow A, Polly Peck, RHM, Bellhaven Brewery and Rio Stakis. No puts were recorded but double ontions were but double options were arranged in First National

ARGUS PRESS

11.23 12.68 12.89 13.79 13.74 13.25 13.82

14.01 13.41

14.78 14.65 14.56

11.30 12.76 12.97 13.96

13.96 13.97 13.96

1415 1355 1265

14.82

14.79 14.62

1225 1226 1229 14.01 14.05 14.12 14.07 14.74 14.37 12.26

Communication Channels Inc. a subsidiary of Argus Press Holdings, has acquired two mopthly international journals serving the civil aviation industry—Airline Executive and Commuter Air.

Roth publications have moved Both publications have moved the CCI headquarters in

Finance, UDS, Beecham and Minet.

APPOINTMENTS

Charter Consolidated changes

Mr Jocelyn Hambro, a director tinue as commercial develop- leading dealer in autograph since 1965, has been appointed ment manager of Billiton (UK). Jetters and historical documents non-executive chairman CHARTER CONSOLIDATED. Sir Philip Oppenheimer, deputy been promoted to managing Computer specialises in the chairman, has retired from the director of JEAVONS CON supply of complete cataloguing board and Mr J. N. Clarke, the TRACTING. He was formerly and information systems to the chief executive, has been director and general manager, antiquarian trade, particularly appointed deputy chairman in He has also been appointed a antiquarian booksellers, map, his place. Mr H. F. Oppenheimer director of Pentos Engineering print, coin and stamp dealers.

N. F. Oppenheimer and Mr A. E.

Mr Dale Stuard, who wishes to N. F. Oppenheimer and Mr A. E. Oppenheimer were appointed directors. Mr Hambro has been chairman of Hambros since 1970 and is chairman of the Hambros Trust, Hambros Investment Trust, and chairman or a director of many other companies.

Mr Jih Fallon, MK Electric's director—external relations, has been elected president-elect of the BRITISH ELECTRICAL SYSTEMS ASSOCIATION.

Mr P. C. Meredith, presently commercial development manager of Billiton (UK), has been appointed general manager of BILLITON METALS AND ORES (UK). He will con-

Mr Jeff Pether, managing director, British Salt, a subsidiary of Staveley Industries, has been elected president of the COMITE EUROPEN BARRATT DEVELOPMENTS. The COMITE EUROPEN Mr John S. R. Swanson, currently group sales and marketing with the Alexander Howden group sales and marketing with the Alexander Howden Group, has been appointed to the board of ANTHONY LUMS-chairman, Barratt American Inc.

Mr A. R. Maemillan has joined the board of CALEDONIAN APPLIED TECHNOLOGY as a non-executive director. He is a director of Clydesdale Bank. He will shortly be retiring as chief general manager of Clydesdale, but will remain a director.

CAXTON COMPUTER COM-PANY has appointed Mr John BRITAIN). His place in the 1980 a Wilson as a director. He is a Netherlands will be taken by Mr tions.

Mr Graham S. Westwood has

Mr Dale Stuard, who wishes to

TORVALE BUILDING PRODUCTS has appointed Mr mentary Commissioner for Mike R. Andrews as sales Administration (Ombudsman), director.

a director of Fluor Europe. Mr Dennis Bernbart, the company's manager sales in New York be-comes vice president Europe and Africa sales. Mr Jim Byron who currently holds this position is transferred to California to become vice president advanced technology and government Mr Peter Hicks has been

appointed a director of WIGHAM POLAND HOME in addition to

Sig von Kutzleben who was

assistant to the president Fluor Europe, Dr Ronald Olivier, and

Sir Cecil Clothier, the Parliahas appointed Mr D. G. Alien as his deputy in succession to Miss Mr Gordon Dibble currently

Mr Gordon Dibble currently

Mr Gordon Dibble currently

Mr Gordon Dibble currently

Mr Horsham, who is retiring.

Mr Allen joined the Parliamening director of FLUOR (GREAT tary Commissioner's office in BRITAIN). His place in the 1980 as a director of investiga-

The Breathtaking Barbican

Unfurnished flats to rent in a complete new world.

elegance and inventiveness—the varied textures and surfaces, the

The Barbican is breathtaking. Its

sheer size strikes you first, then its

imaginative human-scale detail.

the water and greenery. This is what living in a city ought to be

From its towers you can see clear across London. From its traffic-free precincts you are only a few minutes walk from Barbican and Moorgate stations. St Paul's is just a little further.

This amazing new world is now complete, with its own community life, its own shops, doctors and entertainment. tricluding the fabulous new Arts Centre, and all you need for civilised living.

Unfurnished flats, handsome. quiet and spacious, are available at rents from £3,000 to £24,000 a year. They all have luxuriously fitted kitchens, entry phones, most have balconies and staff are on dury 24 hours a day.

Background heating is included. in the rent Covered car park is available. Company applications are welcome for certain types of flat.



CURRENCIES

Dollar easier

The downward trend in the against the dollar. The U.S. dollar in New York on Monday continued in European trading DM 24890 at the fixing without

The downward trend in the dollar in New York on Monday continued in European trading yesterday. Profit-taking and a decline in Eurodollar interest rates, after the recept sharp rise. depressed the U.S. currency, although any hopes of a sustained easing of the dollar were tempered by disappointment at the large rise in May consumer prices.

Sterling gained ground against the dollar, but weakened in terms of most other major currencies.

DOLLAR — Trade-weighted index (Bank of England) 120.7 against 121.7 on Monday, and 107.4 six months ago. Three-month Treasury bills 12.58 per cent (11.08 per cent six months ago). Annual inflation rate 6.7 per cent (6.6 per cent previous month) — The dollar fell to SwFr 2.0860 from SwFr 2.1290 against the D-mark; to SwFr 2.0860 from SwFr 2.1290 against the D-mark; to SwFr 2.0860 from FFr 6.8725 in terms of the French franc; and to Y254.30 from Y257.10 against the Draw large in the previous close, and 90.2 six months ago. Three-month interbank 18.7 per cent (15.5 per cent six months ago). Annual inflation 25 per cent (15.5 per cent six months ago). Annual inflation 9.5 per cent (15.5 per cent six months ago). Annual inflation 9.5 per cent (15.5 per cent six months ago). Annual inflation 9.5 per cent (15.5 per cent six months ago). Annual inflation 9.5 per cent (15.5 per cent six months ago). Annual inflation 9.5 per cent (15.5 per cent six months ago). Annual inflation 9.5 per cent (15.5 per cent six months ago). Annual inflation 9.5 per cent (15.5 per cent six months ago). Annual inflation 9.5 per cent (15.5 per cent six months ago). Annual inflation 9.5 per cent (15.5 per cent six months ago). Annual inflation 9.5 per cent (15.5 per cent six months ago). Annual to the lowest level of the day, and to lowest level of the day, and to lowest level of the day, and to lowest level of the day, and to lowest level of the day, and to lowest level of the day, and to lowest level of the day, and to lowest level of the day and to lowest level of the day and to lowest level of the day and to

tent six months ago). Annual inflation 9.5 per cent (9.4 per cent previous month) — The pound opened at \$1.7730-1.7340, the lowest level of the day, and touched a peak of \$1.7455-1.7465 in the afternoon, before closing at \$1.7375-1.7385, a rise of 1.10 cents on the day. Sterling fell to DM 4.2675 from DM 4.28; to SWFr 3.6275 from SWFr 3.6775; to FFr 11.83 from FFr 11.8650; and to Y442.25 from Y444.25.

D-MARK — EMS member (weakest). Trade-weighted index (weakest). Trade-weighted index (weakest). Trade-weighted index (12.13 against 124.7 on Monday, and 121.9 six months ago. Three-month interbank 9.225 per cent (12.15 per cent six months ago). Annual inflation 5.3 per cent (5 per cent six months ago). Annual inflation 5.3 per cent (5 per cent previous month)—The D-mark showed mixed changes at the Frankfurt fixing, weakening against sterling, the Swiss franc and Japanese yen, but improving F1 4.7090.

+0.35 -1.03 +1.10 -1.04 +0.69 -0.68 -1.47

THE POUND SPOT AND FORWARD

kme 22	spread	Close	One month	p.a.	months	p.8.
J.S.	1,7330-1,7465	1.7375-1.7385	0.33-0.43c dia	-2.62	1.25-1.35dis	-2.99
canada	2.2460-2.2560	2.2540-2.2550	0.84-0.94c dis	-4.74	2.77-2.87dis	-5.00
lethind.	4.68-4.73	4.70-4.71	1%-1%c pm		5-41 ₂ pm	4.04
Selg:um	81.10-82.10	81.15-81.25	22-32c dis		84-94 dm	-4.38
Jenmerk.	14.71-14.82	14.73-14.74	37-47 ore dis		121-14 dis	-3.61
reland	1,2390-1,2475	1.2405-1.2415	0.62-0.75p dis		1.51-2.08dis	-6.43
V. Ger.	4,26-4-291;	4.261-4.274	14-14of pm		41-4 pm	3.98
	144,00-148.00	145.00-145.50	80-265c dia		235-765dia	-13.77
ortugal Spain	191.70-193.30	191.80-182.00	190-230c dis			~ 12.82
taly	2,403-2,415	2.404-2.408	13-16 lire dia		46-49 dia	-7.90
iorway	10.86-10.92	10.851-10.871-	1-ore pm-1- dis		53-67 dis	-2.32
rance	17.82-11.97	11.82 - 11.83	314-514t dis		13-16 die	-4.90
weden	10.57-10.64	10.58-10.59	13-25 ore dis	-2.27	414-5 dis	-1.75
apan	441-446	4413-4423	2.40-2.10y pm	6.10	6.70-6,40 pm	5.92
LUSTIJE J	30.00-30-25	30.18-30-23	14-10gro-pm		35-29 pm	4.24
Witz.	3.62-3.68	3.624-3.634	21 ₂ -2c-pm		84-61 _e pm	7.17
			-		_	

Beiglan rate is for convertible francs. Financial franc 91.25-91.35. Six-month forward dollar 2.62-2.72c dis, 12-month 4.55-4.75c dis.

THE DOLLAR SPOT AND FORWARD

June 22	Day's spread	Closs	One month	% p.a.	Three months	p.a.
UKT	1.7330-1.7465	1,7375-1.7385	0.33-0.43c dis	-2.62	1-26-1.35dts	-2.99
Irelandt	1,3930-1.4020	1,4005-1,4020	0,55-0.45c pm		1,30-1,15 pm	
Canada	1,2955-1,2995	1.2955-1.2960	0.22-0.25c dis			-1.91
Nathind.	2,7000-2,7165	2.7000-2.7030	1.55-7.45c pm		4.75-4.65 pm	6.95
Belgium	46.79-47.20	48.71-46.73	3-6c dis		15-19 dis	-1.45
Denmark	8.4575-8.5300	8.4575-8.4625	0,20-0,45ore dis		0,40-0.90dls	
W. Ger.	2,4460-2,4710	2,4535-2,4545	1.38-1.33pf pm		4.20-4.15 pm	
Portugal	82.75-83.80	83.50-83.75	30-130c dis			- 10.52
Spain	110.70-111.35	770.90-110.95	95-110c dla			-9.03
italy	1,382-1,390	1,382-1,383	574-6 1}ra∙dis		161 ₂ -18 dis	-4.58
Norway	6.2500-6.2730	6,2500-6,2550	0.90-0.50ore pm		0.70-0.30 pm	0.32
France	6.7850-6.8500	6,2050-5.8100	0.50-1,00c dis		2.50-3.10dis	-1.65
Sweden	6.0900-6.1200	6.0900-6.0930	per-0.20ore dis		2.40-2.20 pm	
Japan	253.75-256.50	254,25-254.35	1.86-1.78y pm		5.55-5.45 pm	
Austria .	17.31-17.38	17.311-17.321	113-101-gro pm	7.70	33, ⁷ -30, ² bw	7.38
Swntz.	2.0750-2.1170	2.0855-2,0865	1.80-1,72c pm	10.12	5.25-5.17 pm	9.99

CURRENCY	MOVE	MENTS	CURRENCY RATES						
June 23		Morgan Guaranty Changes	June 22	Benk rate %		European Currency Units			
Sterling U.S. dollar Canadian dollar Austrian schilling Belgien franc Danish kronar Deutsche mark Swiss franc Guilder Lira Yen Based en trade wei Wesklesde attrade	120.7 84.7 117.1 95:0 82.5 125.1 145.7 116.5 74.2 53.4 132.5		Sterling U.S. S. Canadian S. Austria Soh. Belgian F. Danish Kr. D mark. Guilder. French Fr. Lira. Yen Norwgn, Kr. Spanish Pta. Swedish Fr. Swiss Fr.	12 16,59 63 14 11 71 ₂ 8 91 ₂ 19 51 ₂ 8	18.9623 51.4107 9.29779 2.68828 2.95958 7.45897 1513.35 279.370 6.84348 121.240 6.67815 2.29553	0.551586 0.959383 1.24144 16.6597 45.1869 8.15954 2.56248 2.60088 5.55354 1330.42 244.546 6.01245 106.511 5.85895 2.01758			
Bank of England & 1875—100).			Greak Dr'ch. *C\$/SDR r	_		66,5048 1,41112.			

OTHER CURRENCIES

June-22	£	5		Note Rates
Argentino Peso	26.581-26.521	15,250-15,300	Austria	30.00-30,30
Australia Dollar	1.7005-1.7025	9.9765-0.9770	Belglum	9014-9114
Brazil Cruzeiro	284.69-295.69	169.08-169,93	Denmark	14,71-14,85
Finland Markka.	8,235.8,251	4,7405-4.7425	France	11,82-11,92
Greek Drachma	129,268-120,694	69.30.69.80	Germany	4,26-4,30
Hong Kong Dollar	10,346-10,36	5,9340-5,9390	Italy	2375-2415
ranRial	145,50°	84,501	Japan	445.450
KuwaitDinar(KD)	0,50 ISB-0,50265	0,2880-0,2882	Netherlands	4,69-4.74
Luxembourg Fr.,	81,15-81,25	46,71-46,73	Norway	10,84-10.94
Malaysia Dollar	4,110-4,1170		Portugal	143-158
New Zealand Dir.	2,3365-2,3405		Spain ,	1855, 1924
Saudi Arab, Riyal	5,9730-5,9830	3,4290-3,4305		10,57-10,67
Singapore Dollar	3,7615-3,7685	2,1575-2,1605	Switzerland	3.65-3.69
Sth African Rand	1,9715-1,9735		United States	
U.A.E. Dirham	6,3955-6,4065	3.6715-3.6735	Yugoslayla	90-104

Changes are for ECU, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

central rates

44.9704

8.23400 2.33379 6,61387 2.57971 0.691011 1350.27

Balgian Franc ... Danish Krone ... German D-Mark French France ... Dutch Guilder ...

EMS EUROPEAN CURRENCY UNIT RATES

+0.48 -0.90 +1.23 -0.91

+0.82 -0.55 -1.47

45.1869 8.15954 2.36248 6.55354 2.60088 0.687236 1330.42

June 22	Pound Striing	U.S. Dollar	Deutschem'k	JapanessYen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Beigian Fra
Pound Sterling	0,575	1.738	4,258	442,3	11,83	3,628	4,705	2405.	2,255	81,20
U.S. Dollar		1.	2,455	· 254,5	6,807	2,087	2,707	1384.	1,297	46,72
Deutschemark	0,234	0.407	1.	103.5	2,772	0,850	1,103	563,6	0,528	19.03
Japanese Yen 1,000	2,361	3.930	9.650	1000.	26,75	8,202	10.64	5438,	5,098	183,6
French Frank 10	0,845	1.469	3,607	373,8	10.	3,066	3,977	2033.	1.905	68,64
Swiss Franc	0,276	0.479	1,176	121.9	3.261	1,	1,297	663.0	0,622	22,38
Outch Guilder	0,213	0.369	0.907	94,00	2,514	0,771	1.	511.2	0,479	17,26
talian Lira 1,000	0,416	0.723	1.774	183,9	4,919	1,508	1.956	1900.	0.937	33,76
Canadian Dollar	0,444	0,771	1,893	196.2	5.247	1,609	2,087	1967.	1.	36,02
Belgian Franc 100	1,232	8,140	5,256	544.6	14,57	4,467	5,794	2962.	2,776	190,

Divergence limit %

±1,5501 ±1,6430 ±1,0688 ±1,3940 ±1,5004 ±1,6691 ±4,1369

FT LONDON INTERBANK FIXING (11.00 a.m. JUNE 22)

3 months U.S. dollars bid 16 1/16 offer 16 5/16	6 months U.S. dollars	sixteenth, of the bid and offered rate for \$10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.	
			

EURO-CURRENCY INTEREST RATES (Market closing Rates)

June 22	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	italian Ura	Beigia Conv.	r Franc Fin.	Yen	Danish Krone
Short term	12;1.12% 13-13; 13;6-1318	14 ig 14 ig 14 ig 14 ig 15 ig 15 ig 15 ig 15 ig 16 16 ig 15 ig 16 ig	171g-181g 161g-171g 1714-173g 1734-18 175g-177g 175g-177g	814-854 814-854 814-813 818-914 818-914	2.24 104-105 559-554 6.618 618-516 613-618	814-81 ₈ 81 ₂₋ 81 ₈ 87 ₈₋ 9 9 9 1 ₆ 91 ₈₋ 91 ₄ 91 ₈₋ 91 ₈	154-1578 1519-16 164-1639 1719-18 1859-1918 1854-1914	181 ₆ -191 ₆ 181 ₄ -193 ₄ 194 ₆ -201 ₈ 203 ₄ -214 ₆ 215 ₈ -22 217 ₆ -221 ₅	14-151q 15-17 1614-1714 17-18 17-18 161g-1714	144-1619 145-1514 152-153- 153-1518 153-1518 163-1513	716-714 716-714 716-714 716-736 714-738 734-74	20-211 ₂ 17-181 ₂ 165 ₈ -181 ₈ 181 ₄ -191 ₄ 181 ₄ -195 ₈

SDR linked denosits: one-month 12%-13% per cent; three months 137-13% per cent; six months 137-10% per cent; one-year 133-14 per cent. ECU linked deposits: one-month 12%-12½ per cent; three months 13-13½ per cent; six months 137-13½ per cent; one-year 133-13½ per cent. Asian S (closing retes in Singapore): one-month 153-15½ per cent; three months 157-16½ per cent; six months 157-16½ per cent; one-year 16-16½ per cent; charge retes are cell for U.S. dollars. Caracter of the sent of their two days notice.

The losiowing rates were quoted for London dollar cartificates of deposit: one-month 14.98-15.00 per cent; three-months 15.40-15.50 per cent; six months 15.80 per cent; one-year 15.70-15.80 per cent.

MONEY MARKETS

UK rates little changed liquidity through customer re-

UK rates showed little overall change yesterday as the market waited to see how U.S. rates would move. Current uncertainty was reflected in the flat yield curve shown by most paper from curve shown by most paper from three months out to one year. Short-term rates were mostly little changed with one week interbank money at 121-121 per cent compared with 121-121 per cent. In the overnight market funds opened at 121-121 per cent and eased to traded between 12 per cent and 121 per cent. During the afternoon rates touched 121 per cent before easing to 112 per cent with closing balances taken nearer 13 per cent.

The Bank of England forecast in band 4 per cent.

The Bank of England forecast in band 4 per cent.

Factors affecting the market including bills maturing in Reserve E

MONEY RATES **NEW YORK**

GERMANY

FRANCE

UK clearing bank base lending official hands and a net take up rate 12; per cent (since June 8) of Treasury bills —£267m, partly offset by Exchequer transactions +£90m and a fall in the note circulation of £70m. The forecast circulation of £70m. The forecast was revised to a shortage of around £150m and the Bank gave assistance of £36m by purchasing eligible bank bills in band 2 (15-33 days) at 12½ per cent. Later in the day the forecast was again revised to a shortage of £200m before taking into account the morning's operations and the Bank gave further help of £152m, making a grand total of £158m.

The afternoon help was made up of purchases of eligible bank bills; £66m in band 2 at 121 per cent, £65m in band 3 (34-63 days) at 123 per cent and £21m in band 4 (64-84 days) at 121 per cent

In New York the Federal Reserve Bank injected Sibn of

EUROCURRENCIES \$ rates ease

Euro-dollar rates tended to

agreements with ease yesterday as the market Federal funds trading at 14 per paused for breath after the cent. There was little overall recent sharp rise. The pause change in rates although buying interest increased after the recent upward trend in rates as the market paused to re-assess reflected concern over recent speculation that the U.S. anthorities may be contemplating some change in monetary the recent sharp rise in interest policy in the face of growing resolve by European central banks In Frankfurt call money remained at 9.05 per cent, reflect-ing tight market conditions. This was also highlighted by an increase in borrowings under the to take concerted action to halt the dollar's recent sharp rise. The consequent fall in Eurodollar rates was reflected in the dollar's performance in the forward market where it showed a narrower discount against

Lombard facility to DM 6.2bn on Tuesday up from DM 2.6bn, Liquidity is likely to remain tight for the rest of the week when corporate tax payments should be sterling. The D-mark showed a completed. In addition foday sees the unwinding of some DM 11-2bn currency swaps which unless replaced, will reduce liquidity still further.

LONDON MONEY RATES

June 22 1982	Starling Certificate of deposit	interbank		Local Auth- negotiable bonds		Company Deposits	Discount Market Deposits	Treasury	Eligible Bank Bills 4	Fine Trade Bills ¢
vernight days notice days or days notice ne month we menths hree months ine months me year we years	127a 123a 124a 124d 124a 127a 13-127a 13-127a 13-127a 13-127a	114-15 	124-1215 124-1256 1256-1246 1276 1278 1278 1278 1318	=	1234 1278 13 13 1344 1344	12 lg - 12 34 	121 ₂	- 125 125 124 124 124		15-3- 15-18 15-18 12-3-
Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage tes, nominally show years 13½ per cent; four years 13½ per cent; four years 13½ per cent; four months treds bills 13 per buying rates for four-month bank bills 12½ per cent; four months treds bills 13 per										

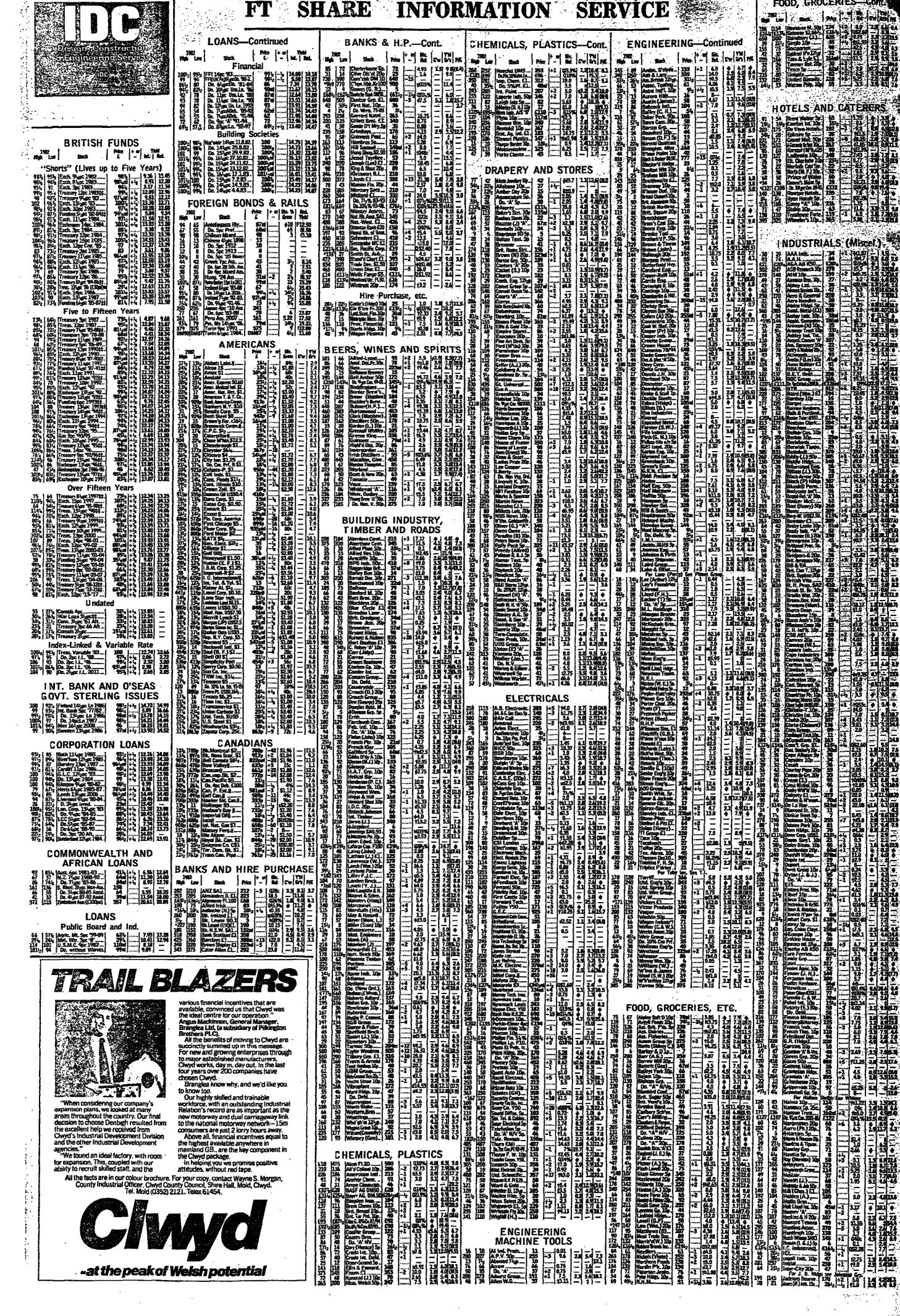
FT UNIT TRUST INFORMATION SERVICE

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	Abbey Unit Tst. Mingrs. (2) 72-50, Gatchaus Rd., Ariesbury 0296 5940.	AUTHORIS	SED TRUSTS	Ridge/field Minneparent Ltd. 11-506-6901 1 Firshery Sq. 812A IPO 76-64-10-31 I
p.a. -2.99 -5.00	American Growth 1974 954 199 622	Crescent Unit Tst. Magns. Ltd. (x)(g)	L & C Unit Tract Management Ltd.,	international UT
4.04 4.38- 3.61- 6.43-	25 35 35 35	4 Mehrille Cres., Edinburgh 3 (231-226 34 Cres. American (27) 4 3 4 3 4 3 4 3 4 3 4 3 4 3 4 3 4 3 4		St. Switche's Lane, Landon EDA. St. Switche's Lane, Landon EDA. NC Advertical Print. Not Sab. Perint Counter 31 Household St. NC Print. NC Print. Sab. Perint Lane 30 Links 1A. *CounterStd.
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- 7.90 - 2.32 - 4.90	ARR GR Trust	Bartington Unit Treat Magt. Ltd. Dartington Toines, Devic T09 6.FE 0803-8622 Total Perf. Unit Tst. (20.7 29.3) -0.0 5.	1 Legacion Administration Ltd. 2 % Mars Are 5(3) 502 01-623 6314	72-81 Garcinome Nd. Aplanton 7. 17 147 147 147 147 147 147 147 147 147
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	Spi Income	E. F. Winchester Fund Most. 1td.	Energy int	Royal Life Fd. Mont. Ltd.
	International Funds	44, Bicombory States, WCIA 29A 01-625 M Great Whitester 1922 223 1 2 C. Whitester Other 1922 223 1 2 Equity 4, Law Un. 7r. M. (a) (b) (c)	63 102 1	Royal Life Fd. Mignet, Unit. New Mail Place, Livergood L69 345 051-227 442 Equity Trust 123 25.3 +0.3 — Interrestional trust 122.5 4.3 — Interrestional trust 122.6 4.3 — Interrestional Trust 122.6 4.3 — Interrestional Trust 122.6 4.3 — Interrestional Trust 122.6 4.3 — Interrestional Trust 122.6 4.3 — Interrestional Trust 122.6 4.3 — Interrestional Trust 122.6 4.3 — Interrestional Trust 122.6 4.3 — Interrestional Trust 122.6 4.3 — Interrestional Trust 122.6 — Interrestional Tr
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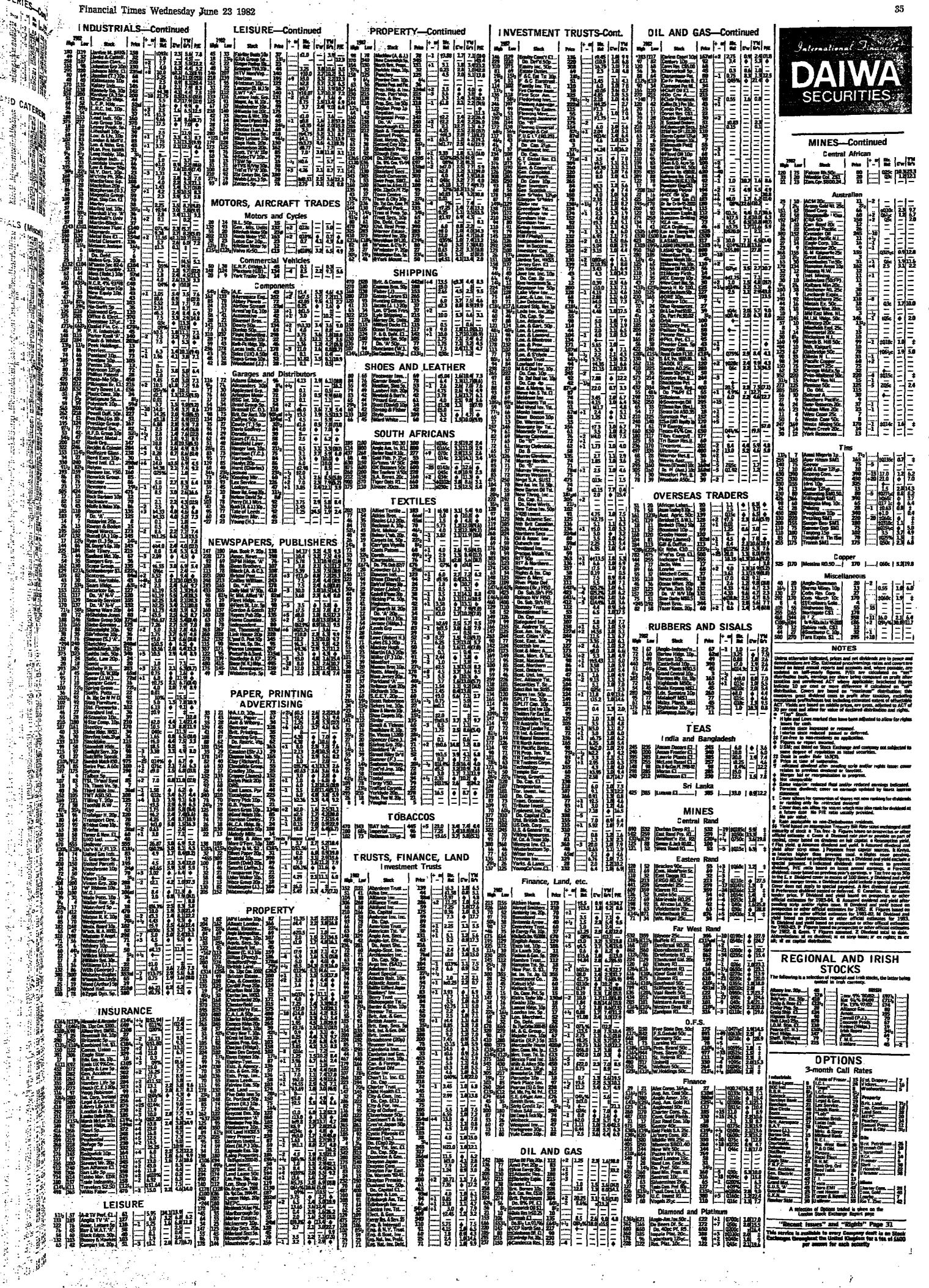
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FINANCIAL TIMES

Wednesday June 23 1982

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ACTION 'COULD RESULT IN BIG LOSS OF JOBS'

BR warning on planned strike

BRITISH RAII, yesterday threatened by the strike. The spelled out the "appalling" effect on the passenger busicosts to the railway industry if the strike threatened from "drastic." In detail, he warned monday by the Marianal Victoria of Railwaymen goes ahead.

BR's warning of cuts in jobs and services came as talks between the BR board and its three unions failed to produce.

three unions failed to produce

Job losses could approach a an agreement to avert the total of 10 per cent of BR's strike. But BR seemed to have 250,000 employees.
made concessions on some of Some rural services would be the key productivity issues, ended.
which it has to fer linked to its Some marshalling and freight

executive, called the threatened strike "madness." If the BR tial effect" on such support board's pay offer of 5 per cent systems as workshops, mainfrom September were rejected, he said, "the consequences will be appalling."
Writing in BR's "Railnews,"

is widely distributed length of a strike. I want to within the railway workforce, make it plain, however, that ments, one in the north and one he said the size and scope of the consequences I have set out in the south, with its own rosthe railway network was are likely to occur even with a tering proposals for drivers

Workforce

puts AEG

strategy

pay offer of 5 per cent from yards would not be reopened September. after a strike. Freight activities Its message amplifies the would be greatly reduced, and letter sent last week to all rail workers by Sir Peter Parker, would follow the expected large BR chairman, warning that the railway industry was at risk from the threatened strike.

Mr Bob Reid, BR's chief executive, called the threatened

• There would be a "substanadministration and research and development. Mr Reid said: "The scale of loss clearly depends on the

None of us would be return-

ing to the same industry. Many may have no work to return

There were suggestions that either the Advisory Concilia-tion and Arbitration Service or Mr Len Murray, TUC general secretary, might be called into the railway dispute following the failure of yesterday's meet-ing of the Railway Staffs National Council to reach an agreement.

At that meeting, however, BR put forward a number of compromise proposals on three of the six productivity im-provements it is seeking. These will be formally put to the unions by letter today though it was unclear last night how far they would prove accept-

The most significant seemed to be on the vexed question of more flexible work rostering. BR has offered to set up experiments, one in the north and one

strike of short duration. A tried in one and the proposals longer stoppage would only of the Associated Society of make the consequences even Locomotive Engineers and Fire-

men in the other.

This appears to be a significant move away from the hard line insistence that the rosters be imposed, possibly by July 3.

Other compromises include the manning of freight trains and the single manning of pas-senger trains — the issue, apart from the size of the pay offer, at the heart of BR's dispute with

The single manning issue has been brought to a head over the NUR's refusal to agree to BR's proposal to remove all guards from the newly-electrified Bedford-St Pancras service The NUR is suggesting that the guards should act as train supervisors, collecting fares with stations left unmanned.

The board repeated a sugges-tion rejected by the unions last week that the line should be worked from Bedford to St Albans on the basis of the NUR proposal and then from St to London on

Strike may hit Tubes

in turmoil By Kevin Done in West Berlin

PLANS for a big restructuring of AEG-Telefunken, the ailing West German electrical and electronics group, have been thrown into turmoil by the opposition of the workforce. A four-man delegation, includ-

ing Herr Heinz Dürr, chief executive, Dr Hans Friderichs. supervisory board chairman and chairman of Dresdner Bank, and two representatives of the company's 123-000-strong work-force, is to lobby Bonn in the hope of attracting a direct state shareholding in the existing AEG-Telefunken concern.

The approach to Bonn is a compromise after a fiercelyfought supervisory board meet ing lasting into the early hours yesterday before the start of the group's annual meeting

Workforce opposition pre vented the supervisory boardon which employees and shareholders have equal representation with the chairman. representative, holding the casting vote—from giving unqualified support to the far-reaching restructuring strategy "AEG-83" put forward in recent weeks by the executive board.

The opposition to Herr Durr's plans comes from the group's internal works councils, chaired by Herr Hans Rubke, and has the support of the two main AEG unions, IG-Metall, representing engineering and metal workers, and the white-collar

The management's survival blueprint calls for splitting the existing concern into three separate units, a holding company and two operating com-panies: AEG-Technik for capital goods businesses and AEGhousehold Konsum for appliances subsidiaries. The loss-making consumer elec-tronics interests (Telefunken)

would be largely disposed of. The workforce bitterly rejects the break-up of the concern and plans to bring in General Electric of the UK as a 40 per cent shareholder in AEG-

Close to 5,000 AEG workers —nearly half the Berlin-based workforce — demonstrated vesterday outside the company's annual meeting.

The opposition is a serious

blow for management, particularly following last week's decision by AEG's 24-member banking consortium to support the strategy at least in principle. Herr Durr told AEG shareholders yesterday that he still saw little hope of Bonn agree-ing to take a substantial direct shareholding in the existing AEG group. He repeated his

belief that only a radical re-structuring could save the AEG abandons hope of pipeline deal, Page 8- AEG races against

time, Page 29

Continued from Page 1

Jobless

most serious domestic news for the nation." The total number of unem-ployed, including school leavers, now represents 12.8 per cent of the workforce, the highest among the major industrialised countries.

The figures also show a downward movement in the number of vacancies notified to employment offices, which averaged 107,200 per month in the three months to June. The number of vacancies has been falling slightly each month since slightly each month since announce other defence orders states which will challenge the harch, and although the decline is small it contrasts with a steadily rising trend in the steadily rising trend in the autumn and early spring.

The defence budget for The EEC suits will contest the states which will challenge the states which will challenge the prepared to consider some form of voluntary restraint deal or sanctions to cover U.S. Orderly Marketing Arrange subsidiary companies involved.

The defence budget for The EEC suits will contest the to the U.S.

Turkey guarantees \$625m bonds after Banker Kastelli collapse

THE TURKISH Government Switzerland, confidence in the financial system by guaranteeing the \$625m (£360m) of outstanding bonds sold to investors by Banker Kastelli, the country's money-broker and biggest securities house, which collapsed

At the same time it promised to take measures that would make it easier for banks in difficulty to borrow from the central bank, and urged people not to panic.

tioned outside the branches of Banker Kastelli before the authorities closed them down and took control of the group's assets later in the day. There investors on securities. were queues outside other Mr Ozden acted as brokers, and at least one bank branch was obliged to close its doors. Three other banks

shocked Turkish financial system. It could constitute the gravest its impact on his stabilisation

Mr Ozal was received yesterren, Head of State and Chief Police and troops were posiof Staff, who is reported to be furious about the situation.

budgetary control.

of the high returns offered to Mr Ozden acted as an intermediary for many large Turkish banks and industrial companies in raising funds. He succeeded

pressed by inflation, placed their savings with the bank. threat to the prestige of the Many sold property to take military government since it advantage of the attractive took power in September 1980. rates promised by Mr Ozden's Mr Turgut Özal, Deputy company. It survived a shake-Prime Minister and Economic out last winter when many Planning Minister, also stands smaller and apparently less to lose from Kastelli's fall and reputable money-brokers failed. On Monday night, however

the directors informed the authorities that they were policy based on stern fiscal and having problems paying interest day afternoon by General Kenan and principal due on certifiates of deposit issued on behalf of several Turkish banks last year. The borrowers were said Banker Kastelli grew rapidly to be having difficulty in in the late 1970s on the strength making payments on maturing

The Government's guarantee covers all securities sold to inmust be held to maturity in order to qualify. Repayment of are reported to be in difficulties. in creating a successful channel interest and principal will confor new investment in an era tinue once the company's founder, Mr Cevher when alternative sources were assets, thought to total about Ozden, is believed to be in more expensive to borrowers. \$125m, have been liquidated.

IBM in UK satellite talks

BY GUY DE IONOUIERES

INTERNATIONAL Machines is in negotiations with British Telecom and British Aerospace on a plan to use a new UK satellite to provide an The proposed joint venture service would begin in the mid-1980s. It would transmit telephone calls, high-speed com-puter data and televised video conferences directly between customers in Britain and on the east coast of the U.S. and

It would be carried on Unisat. a privately financed satellite backed by BT, BAe and GEC-Marconi. Unisat, costing £150m and due to go into orbit in 1986. will be designed to beam com-munications and broadcasting signals over an area several

thousand miles wide. IBM is expected to supply

on their office roofs.

There are no plans for IBM, to take a stake in Unisat. But the U.S. company, seeking a tions service across the Atlantic. pean communications business, might join the Unisat partners in setting up a consortium to operate the communications Technical details of the

service are expected to be completed towards the end of this year. But no agreement will be signed until BT has concluded separate negotiations with Intelsat, the inter-governcontrols transatlantic satellite communications.

It seems likely that some of the capacity on Unisat-which will be one of the world's most powerful satellites—will be leased to Intelsat to carry technological support and some normal switched telephone of the solphisticated electronic calls between the organisation's

and communications equipment member countries.

needed for the service linking BT already plans to provide customers directly through a link with Satellite Business

Business small ground stations mounted Systems (SBS), a joint venture ations with on their office roofs. Systems (SBS), a joint venture between IBM, Communications Satellite Corporation and the Aetna insurance group, which provides high-capacity communications for customers in North America

But for technical reasons many of the more sophisticated features offered by SBS in the U.S. cannot be provided across the Atlantic. These features, including video conferencing would be available to subscribers to the planned Unisat

service. The transatlantic SBS link is awaiting approval by the U.S. Federal Communications Commission, which would also have to authorise the Unisa: service.

Unisat is unlikely to be used initially at least, to provide a direct link between customers in North America and continental Europe. That move would require complex negotiations with European telecom munications monopolies,

Defence Continued from Page 1

However, it appears highly unlikely now that Invincible will be sold. Australia has said it is willing to cancel the sale and Mr Nott appears to be trying to persuade the Treasury to find the £175m that would have come from Australia.

The Defence Ministry was congratulating itself yesterday on having won the Treasury's agreement that the cost of the Falklands war — "something over" £500m up to June 4 — will not come out of the annual defence budget. Replacements for ships, missiles and the like are estimated at £250m a year

debates. He repeated that a 1982-3 is £14bn. The estimates decision would be taken on just published show a rise of Invincible in two or three more than 20 per cent on months' time. defence equipment. from £5.3bn last year to £6.5bn in the current year.

> Elinor Goodman writes: Mr Nott appears to have pulled off a major political coup against the Treasury by winning the Prime Minister's agree-

The statement will strengthen Mr Nott's position within the Conservative Party.

Treasury ministers had conceded that the running costs of the military operation would have to be met out of the contingency reserve. But they were reluciant to concede at this stage of the year that the cost of replacing equipment lost ment that the costs of the Falk- in the operation could not be lands operation would come out contained in the 3 per cent of the contingency fund rather growth in defence expenditure than the defence budget.

EEC Continued from Page 1

There is no public estimate for the cost of garrisoning the Falklands, since the Government is still not sure whether Argentina will accept a comprehensive ceasefire.

Decisions on which equipment should be replaced, and with what, would be made and orders placed by the year's end, Mr Nott said. He hoped to announce other defence orders and give more details on the latest U.S. decision to extend the initiation and interesting the ministers' discussion of the two issues came on the event that two issues came on the event that two issues came on the event transatiantic trade conflict by making a direct link between the steel row and threatened retaliation against the U.S. making a direct link between the steel row and threatened retaliation against the U.S. with members of the European Commission.

Mr Malcolm Baldridge, the U.S. Commerce Secretary, indicated last week that the Reagan Administration might be states which will challenge the latest U.S. decision to extend

summit in Brussels early next U.S. attempt to exercise "extraterritorial" political control.
The ministers discussion of

Dollar slips from its peaks

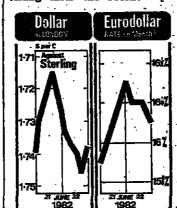
By Paul Taylor

THE DOLLAR's recent sharp rise ran out of steam in London yesterday, allowing all the major European currencies to claw back some of their losses of the past fortnight.

The bound closed 1.1 cents higher in London at \$1.7380 compared with its Monday night London close, having touched \$1.7460 at one stage and continuing a recovery begun in New York on Monday after the London market closed

Its Bank of England trade-weighted index against a basket of currencles improved to 91.4 from 91.0 despite some weaken-ing against other major cur-

The break in its rise was widely attributed to profittaking after the recent rapid



easing in Eurodollar rates, with six-month Eurodollar deposit rates slipping by a 1 point to 16; first decline in rates for more than a week.

The dollar was unsettled by market rumours in the afternoon that Mr Paul Volcker, Federal Reserve Board chairman, had resigned. These reports were quickly rejected as "absolutely untrue" by the

The dollar's trade-weighted index (ell from 121.7 to 120.7. Against the D-Mark in London it fell to DM 2.4540 from DM 2.4770; from SwFr 2.1290 to SwFr 2.0860; and from FFr 6.8725 to FFr 6.8075.

The Yen also improved against the dollar in London, closing at Y254.3 from Y 257.1 following limited intervention by the Bank of Japan, said to have sold \$25m in defence of gold price also rose, closing in London at \$306.25 having pulled back through the psychologically important \$300 level from Monday night's London close of

Despite the easing in Euro dollar, rates and the dollar's decline yesterday, the markets were treating the reversal as a "breathing space" rather than a turning point.

The markets remain concerned about the growth in U.S. money supply and funding of the projected budget deficit. Money markets, Page 32: Energy costs fuel inflation rate, Page 6

Weather

UK TODAY BRIGHT intervals with some showers. Scotland, N. Treland Mostly dry, sumny intervals. Some showers near coasts.

England and Wales Rain, prolonged at times.
Brighter later. Max 17C
Outlook: Dry at first, zain
spreading from S.W.

WORLDWIDE

Max 18C (64F)



THE LEX COLUMN

A firm defence of profits

The Defence Estimates make no secret of their pre-Falklands conception, and Mr John Nott, the Defence Secretary, acknowedges that some adjustments will need to be made to the programme in the light of the conflict. So the stock market, looking forward to some buoyant results in the next few days from Racal, Ferranti and GEC, yesterday greeted the estimates with a polite yawn.

Yet tucked away in the tables is a proposed 22 per cent in-

crease in spending on equip-ment in 1982/83. This presumably is what the MoD considers necessary to increase the real volume of spending by 3 per cent at a time when domestic inflation is in single figures. From the contractors' point of view it represents a very significant boost to levels of business, and explains, incidentally, why earlier com-plaints about slow MoD

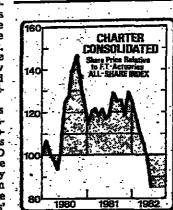
payment have fallen to a The estimates provide confirmation that the contractors have been able to convince the MoD of the benefits of a more commercial approach. Equip-ment is likely to be designed with more of an eye to export potential, while companies will be better supported in develop-ing new systems independently. Of more direct impact on nearterm profitability is the aim to adopt incentive pricing whereever practicable.

The defence sector, which has outperformed the market since the beginning of April by 10 per cent plus, has more to chew on here than the work of replacing equipment expended in the Falklands conflict. Yet the estimates provide a strong warning against indiscriminate buying in the sector. It points out: "It is no longer open to the Government to maintain the current level of R and D defence funding across the present wide field." Withdrawal from certain sectors would "involve industry itself in a difficult interim period of adjustment." The premium on political lobbying ability has accordingly been raised. There are likely to be nasty shocks for some companies—most likely in the disdained sectors of ships, fixed wing air-

Hambros

craft and, possibly, tanks.

Index rose 0.9 to 555.8



disclosed net profits have fallen from £23.2m to £15.4m. Dividends from Hambro Life are again the largest item, cover-ing almost the whole of Hambros' own increased divi-dend and the group's invest-ment in this success story is worth about £125m at current market values, equivalent to almost 90 per cent of its own market capitalisation.

Most other entries in the profits ledger have been calculated by a process of financial alchemy. The cost of withdrawing from the Norwegian shipping saga, £15.9m after full tax relief, has been met by a transfer from inner reserves and is mostly funded in cash terms by a equity injection of £10m from the parent company. This, in turn, has been financed through the £13m which Hambros received by selling convertible preference stock in

Town and City. So far, so good, Hambros also made a profit of £5m on the sale of its Mills and Allen stake, most of which is used to offset sundry debits on the portfolo invest-ment account. Heavy losses in and diamond trade are balanced by advertising and other incom to produce a small "operating" profit of £200,000. Of course, none of this is explained in the

Charter Consolidated

Charter Consolidated shares were trading at their lowest level of the year before yesterday's news that profits for the year to March had risen 12.2 Hambros' preliminary state. Even after a 15p jump to 185p, active voters. If the McFarlane ment, for the year to March, is the company was valued at a shareholders can be relied upon a powerful advertisement for discount of almost 60 per cent to bring their new Global stock full disclosure, at the very least to reported net worth. So to September's meeting, their of non-banking interests. Share- Charter still has its work cut votes could easily have a "dis-

can be employed more produc-tively in operating subsidiaries than on the Lordon money

The strategy of establishing direct control over industrial and mining companies has yet to bear fruit. Investment earnings accounted for more than three-quarters of pre-tax profits last year and the Alexander Shand acquisition, included for 10 months, can hardly have funded its £24.6m price tag with a reported operating profit of £1.8m.

Charter has admittedly been unlucky. Mining earnings are under intense pressure and Cape Industries, after bringing its reduced automotive in-terests back to profit, has been knocked sideways by the weakness of the insulation market. Yet Charter will not find this record much help in justifying its offer for Anderson Strath-clyde, if the Monopolies Com-mission waves the bid through. More acquisitions are undoubtedly in the pipeline and Charter may now be looking for an investment which ties up less fixed capital and produces a rapid cash return.

Global

Global Natural Resources agreed bid for McFarlane Oil is only superficially straightforward. The purchase consideration-£26.6m based vesterday's London price for Global shares of 620p—is not far out of line with the appraised value of McFarlane's oil and gas reserves. over, Global will be picking up some sizeable coal deposits north of Houston, not to speak of an executive jet and a transfusion of managerial and tech-Historic net nical expertise. Global's earnings per share will not be much diluted by the issue of 3.25m new shares to help finance the deal.

But this is scarcely the point. Global's management is cur-rently under attack, with control of the company likely to be settled in a proxy battle at the annual meeting. Dissident shareholders feel that Global's main object in taking over McFarlane was to place 131 per cent of the enlarged equity in hands friendly to the present

Because Global's stock is held in bearer form, few shareper cent to £59.2m pre-tax, holders have in the past been holders will earn very litte from out persuading the market that proportionate and perhaps the figures, which show that its abundant financial resources decisive effect.



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